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Be Sure to Read

Meeting New Death Duties 8
How Money Was Spent 20
Municipalities' Problem .. 5
Magnesium to the Fore .. 19

The Nation's Business

Here's How We Can Get Better Weapons

"We want the tools of Victory and we want them in vast quantities," Lieut. General McNaughton told the people of Canada this week.

But Canada's Corps Commander went beyond a simple demand for "more." He asked for better tools. In plant after plant that he visited, newspapers report that he offered suggestions for improvement in design of tanks, guns, and other weapons.

This was the research and engineering mind at work, seeking to translate into terms of improved design and simplified production the harsh lessons learned by our fighting forces in the many battles we have already lost in this war.

* * *

Everywhere one hears demands for weapons as good as the Germans have. We'll never win the war with weapons that are "just as good" as those with which the enemy fights. We must have better weapons . . . and get them first.

In this war, there seems, so far, to have been only one area in which we have produced better weapons than the Germans have produced. That is in the air. Plane for plane, our bombers and our fighters have been more efficient than anything that the Germans have yet revealed.

How did we get better planes? We got them by harnessing the designing skill and genius of imaginative aircraft manufacturers and their technical staffs. The Royal Air Force has not attempted to create plane types. Rather, it has indicated to the manufacturers the broad requirements and it has let the aircraft industry's own designers produce the blueprints and the prototypes. That's the way we got the Hurricane, the Spitfire, the Wellington, the Halifax, the Avro-Manchester and a host of other machines that have kept us so far from losing the war and may yet enable us to win the war.

We in Canada have done something of the same thing in respect to fighting vehicles. Canadian-built army trucks have stood up in battle better than trucks from any other source because the automobile industry's own engineers had a role in their design.

We do not pursue this practice sufficiently with respect to guns, tanks and most other weapons. The British army, through its ordnance engineers, designs what it wants. Canada copies the British weapons. Judging by the results to date, not much imagination has been shown in such creative planning. Our tanks were outfought in Libya, and our guns outranged. We do not seem to have gotten much in Singapore for the enormous investment we made there in steel and armor.

* * *

There is nothing in the scientific and engineering skill of German industry that is not bettered by at least one hundred per cent in the imaginative realities of the engineering laboratories and workshops of North America. Canada and the United States have put the world on wheels, they have made machinery the servant of every housewife; they have found ways of doing industrial jobs in half the time and at half the cost of methods in other countries.

Given a free hand, they can translate the needs of our modern armies into realities that will stagger any enemy.

General McNaughton referred, in his newspaper interviews, to the need for developing a department of design in our army setup. Carry that idea to its logical conclusion and it leads to . . . where?

Obviously, it suggests the need for a North American council of design and development of weapons of war, for an organization capable of merging army planning and industrial engineering to produce better weapons than the enemy will ever dream of.

* * *

In their brilliant mental processes men like General McNaughton are to the fighting forces of the United Nations what men like C. F. Ketterring are to North American industry.

Why not use the Ketterrings of industry to help us win the war?

If this war is going to be won in the workshops of North America, then the men who have made the workshops of North America the world's leaders in industrial design and techniques should be mobilized to create the weapons of war.

Let the army state the purpose for which the weapons are needed. But let the engineer-scientists design the weapons; and the industrialists produce them.

This genius and skill must be mobilized. The way to mobilize them is by a joint council of the army, engineering and industrial chiefs of this continent.

* * *

FIGHTING THE WAR IN THREE DIMENSIONS

In the news this week several significant items pointed in the same direction: a new concept on the part of the United Nations of the proper use of airpower in the war.

In the House of Commons Sir Stafford Cripps dropped a hint that the expected spring reprisal raids over Germany might not come off. There are, perhaps, better uses to which our bombers and pilots could be diverted, he suggested, although Sir Archibald Sinclair, minister for air, seems to favor continuing the policy of "softening up" Germany from the air.

In Canada, Lieut. General McNaughton revealed that each of our armored units now has a squadron of planes attached to it. One of the most important problems of the war is to achieve increased co-operation between land and air forces, he said in press interviews. Men in tanks and men in planes would talk to each other over radios tuned to the same frequency. The land and air troops must co-operate; they were not in competition with each other. "We are both fighting for the same victory," said Canada's army chief.

In the United States, President Roosevelt announced a sweeping reorganization of the army command. It was noted that the reorganization seemed to be designed to achieve unity of command and action between the fighting forces of the land and of the air.

These developments indicate that the United Nations are finally learning the lesson so ruthlessly taught by Germany; that this is a "three-dimensional" war; that it is to be won only by offensive operations in which the attack by land and by air is a single, unified attack.

* * *

Canada has trained and sent overseas many thousands of airmen. They have gone into action in many branches of the Royal Air Force: the coastal command, the bomber command, the fighter command, army co-operation and reconnaissance units. Neither in Canada nor overseas have they, up to now, been trained or used in combined land-air operations to the degree that airmen have been used by Germany, Japan and Russia.

General McNaughton's success in getting Canadian squadrons to co-operate with his armored troops in plans not only for the defense of Britain but presumably for offensive operations, when such are possible, marks a major change in strategy overseas.

It is to be hoped that the development represents only a beginning; that more Canadian squadrons will be attached to the Canadian army for co-operative operations.

* * *

This war is not going to be won by airmen and soldiers and sailors fighting, each unit under its own command, as though there were three separate wars going on. It is going to be won, as the Germans have won their battles, by split-second timing of co-ordinated operations. Such operations will be possible only if all the branches of the fighting services have had ample opportunity to train for them by co-operation; trained long before the moment when the enemy strikes or an offensive is launched from our side.

Canada should not lag, it should be willing to lead, in recognizing this as a three-dimensional war and planning accordingly.

Price Board Relaxes on Some Foods

Permit Tin Use, Higher Buying Price to Keep Canning Active

Clarification of many of the problems facing the food trade, and particularly the canning industry, was given when the Wartime Prices & Trade Board announced its policies in regard to tin cans and this year's pack of fruits and vegetables.

Canners get a break which was perhaps unexpected when they are allowed certain concessions on the use of tin cans. For the six months ending June 30, 1942, they are allowed to use up to 50% of the tin plate used in the corresponding period of 1941 to pack pork and beans, baked beans, spaghetti, macaroni, vermicelli and ready-to-serve soup.

Also permitted is use of 75% of the tin plate used in the same period of 1941 to can berries in syrup and 100% of the sour pack of berries. Here again it had earlier been intimated that the ban was on.

What will happen after June 30 is not known yet but by that time this year's pack of such fruits as strawberries, for example, will be processed.

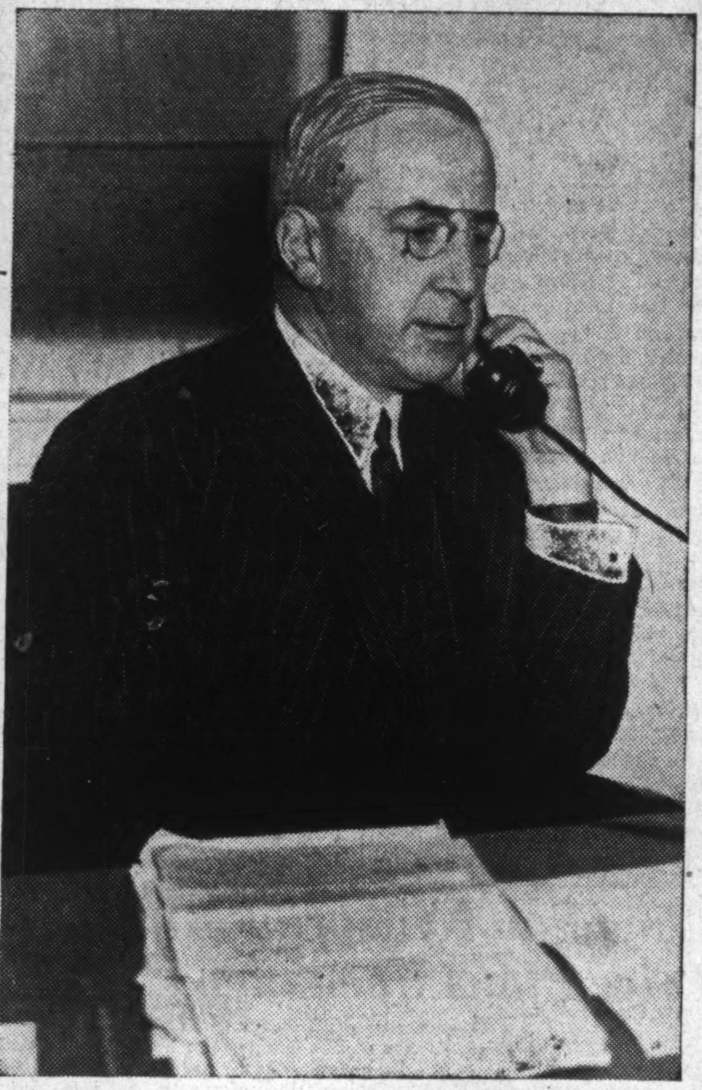
Growers Get Raise

Vegetable growers get a concession that should be of important help. For this year's crop, canners can pay $1 a ton more than last year for tomatoes, $7.50 a ton more for shelled peas or $1.50 a ton more for the straw weight of peas. For corn the increase is $2 a ton and for green and waxed beans $5 a ton.

The WPTB policy is to encourage

(Continued on page 2, col 1)

Billion Dollar Borrower



On March 7, G. W. Spinney becomes Canada's biggest borrower, with a total of around $1,500 millions borrowed in less than nine months. Outstanding achievement of his piloting of the Dominion's National War Finance Committee through two of the biggest Victory Loans on record has been the enlistment of hundreds of thousands of small savings accounts for the war effort. Second Victory Loan over, his committee will take up the War Savings programme until the next big loan. Mr. Spinney is joint general manager, The Bank of Montreal.

Britain May Accept the New Flour

See Possibility U.K. May Switch From "Thiamin-added" to "Canada-approved"

From Our Own Correspondent

MONTREAL.—Representatives of the British flour buying agency are now in Canada and are considering samples of the new natural vitamin enriched flour. A definite possibility is seen in Canadian milling circles that the British buyers may change their specifications for flour from the present synthetic to the naturally enriched product.

Ever since the middle of last year, flour for British export has had thiamin added, the synthetic vitamin B_1.

Next month millers are putting on the Canadian market a naturally enriched flour which will bear the government seal of approval. All flour and bakery products made with thiamin after that date will be prohibited, the government ruling that the use of synthetic vitamins constitutes adulteration.

Changing of British specifications to conform with the new "Canada Approved" standard would mean elimination of the use of thiamin and a considerable saving to the British Government, even though only minute quantities of the synthetic product are used in a barrel of flour.

Relatively big orders for Canadian flour of late do not indicate any change in the buying policy of the United Kingdom.

Wheat Men Clash With Price Police

Major Conflict in Official Circles, With Resignations Threatened, Over Terms of the New Wheat Policy

By KENNETH R. WILSON

OTTAWA.—A crisis of first magnitude has been brewing here over the formulation of Canada's 1942-43 wheat policy.

It involves not only western agriculture but the whole basic structure of Canada's wartime price ceiling.

Two weeks ago, measures were prepared and drafted for submission to Parliament which would have created an "effective" 90 cent price for next year's wheat crop. The policy was tied intimately to increased acreage of flax and coarse grains and would have limited the higher prices to estimated needs of approximately 280 million bushels. This amount exceeded last year's figure by 50 million bushels, representing, presumably expected larger needs for the United Kingdom account. The "cash" wheat price ceiling has been in the neighborhood of 78 cents and the futures ceiling price 82¾ cents per bushel.

Saw It as Threat

Last week, the legislation was tossed topsy-turvy by Prices Chairman Donald Gordon who interpreted the programme as a direct threat to his price ceiling. The proposed plan was discarded and after long and heated controversy with interested officials in the Departments of Agriculture, Finance, Trade and Commerce, etc., a new, compromise policy was evolved which took legislative shape toward the end of the week.

The new policy left the basic price at about 75c. level to conform to the price ceiling. In addition a system of "warrants" or bonuses was introduced to enable the Prices Board to maintain the ceiling on the domestic price of wheat (and correspondingly on the price of bread and flour for home consumption) but which would offer a bonus of 15c. a bushel to the price which western farmers would receive under certain conditions. The programme was parallelled by higher prices for flax, a reduced acreage bonus ($2 instead of $4) under the wheat acreage reduction plan and encouragement for the growing of larger quantities of coarse grain.

Refused Compromise

At this point western farmers, headed by Premier Patterson of Saskatchewan went into action. They refused to have any truck or trade with the compromise plan but demanded either the ceiling be removed entirely from wheat prices or else recognition of the so-called parity level of $1.42 per bushel which is the price they claim is comparable to the wage and price level at which other commodities and earnings are now frozen.

At mid-week the issue was deadlocked with resignation of at least two of the chief protagonists—James Gardiner (Minister of Agriculture) and Donald Gordon (Chairman, Wartime Prices Board) threatened unless a new solution could be found.

No one seems to quarrel with letting western wheat growers get more for their wheat, especially if this price can be interpreted as a reflection of higher prices for export sales. It is the outright puncturing of the domestic ceiling which is the nub of the argument, an argument which will delay introduction of the new wheat measure, at least until the beginning of next week.

Ability of western farmers to lift the ceiling from wheat would be a direct and calamitous blow to Canada's price ceiling. Once western farmers had shown their ability to "puncture" the ceiling there is no question that other groups which have been waiting for such an opportunity would exert great pressure to have consideration given them also.

The entire structure might be jeopardized if an open break of this sort were to occur. The results would spread rapidly into the field of wages, etc.

Heretofore adjustments in the basic ceiling prices have been done quietly and in such a way as to leave the general premise of an overall retail "freeze" intact.

Says Drastic Moves Now Near To Meet War Labor Situation

By STAFF WRITER

OTTAWA.—A broad programme of national selective service which will aid expansion of war industry, help channel men into armed services, and halt the exodus of labor from farms is expected to be announced shortly.

The programme will be administered under Hon. Humphrey Mitchell, minister of labor, probably by a full-time director or general manager. The labor department will be given wide power to administer the main programme. Other departments will be called on to co-operate.

Along with providing for new important powers governing the transfer of workers into essential industry, rehabilitation and training of men and women, procuring a man power inventory, and so forth, a concerted attempt will be made to stem the tide of workers away from Canadian farms.

Four-point Plan

This will probably be accomplished by means of a four-point programme:

(a) the "freezing" of farm workers, farmers, etc., except as regards enlistment for active service, and pending a thorough survey of the farm labor situation.

(b) Payment of some form of subsidy to farm labor, possibly in the form of a cost-of-living bonus.

(c) Provision for the transfer and placement of farm labor into areas where a shortage exists. (The "freezing" order would apply to the industry as a whole, not to individual farms.)

(d) Use of new types of seasonal farm labor, i.e., soldiers, war prisoners, etc.

Co-operation of federal and provincial departments of agriculture would be enlisted, with the programme tied into the general scheme through the selective service director.

Form Pool First

First step in application of the new selective service programme to industry will involve pooling of all technical and skilled workers under the Wartime Bureau of Technical Personnel. Regulations to cover this administration have been drafted for some time.

Machinery will probably be set up to take an authoritative inventory of man power which would keep up to date essential information concerning all men of military age. Weakness of the earlier national registration was the fact that it provided no machinery for keeping records up to date, ascertaining when men changed jobs, etc. Use and development of the unemployment insurance offices in various parts of Canada for this purpose is expected.

Some control over the transfer of skilled and special types of worker into essential industry is involved in the new administration and the department will probably be given powers in respect of this type of "freezing." Such powers will be used sparingly, if at all at the present.

Guiding principle behind this phase of the programme is to direct and influence rather than coerce, which would replace the free market which normally operates to move and place hundreds of thousands of workers annually. Throughout the entire programme emphasis will be placed on getting the maximum co-operation and support of all groups of persons, employers, employees, etc., with compulsion only as a last resort.

In all probability, the specific compulsory powers will be confined to forbidding the entry of able-bodied persons in the 20-30 age groups into certain named "unessential" occupations, the "freezing" of farmers and their labor.

May Report Changes

In order to make the inventory of man power effective, employers will in all probability be required to register changes in employment with Ottawa or with their local unemployment insurance office.

Greatly increased co-operation between the labor department and other authorities such as the Department of Munitions and Supply is envisaged. Some attempt will be made to study and prepare for "white-collar" and other forms of unemployment caused by lack of materials, priorities, etc. A substantial movement to expand the volume and skill of women workers is also envisaged.

In respect of the armed services, close liaison will be established to relate service needs with those of industry. This will be carried on through the selective service organization.

A move will probably be made to rehabilitate men of lower than normal military standards. Men will continue to be called up through the Department of National War Services.

Studying Cuts In Fire Rates

The standing committees appointed by the Canadian Underwriters Association on fire insurance rates in Ontario and Quebec, it is understood, are now busy calculating new tariff rates. It is expected a reduction will be announced shortly. Current rates were established about two years ago when a moderate reduction was made.

Meanwhile the Western Canada Underwriters Association has announced reductions which in some cases bring total cuts to as much as 45% from the levels prevailing two years ago. All classes of buildings in all parts of the three prairie provinces are affected.

Some reductions from the tariff card rates are as follows:

45% on office buildings, municipal office buildings, courthouses, libraries, etc.

40% on churches and hospitals and contents.

35% on residential academies, asylums, cabinet makers establishments, colleges, homes for the indigent, garages, etc.

Claim Not All Gloom In Tourist Outlook

By STAFF WRITER

OTTAWA.—Government officials are struggling valiantly to salvage what little they may from the remains of the 1942 tourist industry.

When North America's rubber lifeline was severed by Jap hordes a few weeks ago, it looked like "curtains" for this $150 millions source of U. S. dollars. Today there are important rays of hope, but the general uncertainty which surrounds present tourist prospects makes intelligent planning and publicity almost impossible.

What now appears to be the outlook may be summarized briefly as follows:

1. There can be no more "official" publicity urging people to travel in Canada until the present highway, rail and transportation impasse is clarified.
2. Canada will probably continue to put its name in front of American travel lovers on an "if, as and when" basis.
3. The tourist season may be a bumper one in certain areas and for certain modes of travel not affected directly by the rubber shortage.

Careful analysis of the sources of Canada's tourist trade suggests that there are a number of very encouraging features despite the general gloom.

Already, steamship companies such as Canada Steamship Lines, report exceptionally heavy bookings. It is expected that the same will be true of Canada's luxury hotels where well-to-do persons can come by rail and holiday with no inconvenience through lack of motor transportation.

The St. Lawrence - Thousand Islands areas and others which are accessible easily by train or steamer are expected to have a good if not a bumper crop. Admittedly Americans will have more money to spend on travel this year than ever before so that places which can be reached easily and are free from highway "commuting" problems will probably do well.

Heavy Basic Trade

All-year round cottages and summer hotels not dependent on highways are already experiencing heavy early bookings in many localities. There are at least 10,000 Americans who rent or own summer cottages in Canada. They spend a lot

(Continued on page 2, col. 3)

"Fed Up" With ARP Demands

Ottawa Cold to Some Requests for Funds

By STAFF WRITER

OTTAWA. — Having tried a few weeks ago to lay down a workable blackout code for Canada, authorities here are now "fed to the teeth" with the deluge of demands for money from provincial and local ARP authorities.

The new ruling which will be established shortly is that Ottawa will do no more than supply certain specified items of equipment, plus 50% of legitimate and reasonable costs, "after" accounts have been submitted and approved.

The attitude of local authorities in Canada is contrasted with the situation in the U. S. Washington is said to be paying no cash to state or local authorities, and big cities like New York have already spent several millions of their own funds.

In Canada, it is charged, no one wants to spend a nickel, file a telegram or rent an office unless they can see the federal government footing the bill. The same is said to be true of some industrial plants in Canada.

Some communities have submitted what are deemed fantastic bills for ARP activities—bills which are looked on here as out of all proportion to the amount of work done or justifiable.

On the other hand, it is realized that local authorities are in a difficult position when they attempt to deal with such matters. Their cash resources are limited and strictly earmarked for normal expenses. Their main source of revenue is real estate taxation, far too inelastic to meet sudden defense needs.

Story Behind Conference

The real story behind the recent ARP conference called to discuss lighting restrictions under Canada's blackout code (P. C. 9818) was the fact that a big house-cleaning of earlier "hit or miss" methods in dealing with this phase of Canada's war effort was long overdue.

The conference was called by Col. Dr. R. J. Manion, newly appointed director of Civil Air Raid Precautions, following his return from a hurried inspection trip of the Maritimes and British Columbia. Ontario, Quebec, British Columbia and the Maritimes sent representatives as did the armed services, industry, labor and transportation companies.

New Code Set Up

Out of the meeting came agreement on a new code which though retaining P. C. 9818 on the statute books gives provincial authorities power to modify it "unless overruled by military authorities."

It was agreed that essential services and war industries be exempt from all test blackout requirements provided they can demonstrate within 60 days of a given date their ability to conduct a blackout if necessary.

Other conclusions reached at the meeting:

(1) Blackouts are bad for morale.

(2) There is no relationship between blackouts and power conservation.

(3) Intensity of blackout regulations should shade from dark on the coasts to light shadow treatment inland. Prairie Provinces play little or no part in these regulations.

(4) In vulnerable areas, lighting restrictions on municipal services, public buildings, large business buildings and theatres, small plants, shops, apartments, etc., must be controllable from a central point (internal or external) attended at all times. This applies to external lights, including outdoor advertising.

Ban Relaxed

Blackout ban on theatre and other outdoor lighting will probably now be lifted in most areas so long as lights can be turned off from a central point and are not left unattended. The ordinary clockwork mechanism commonly used for display signs on small shops, big street signs, etc., may no longer be used. One new

(Continued on page 2, col. 7)

Noorduyn Sets Output Record

Produce More Machines in February Than in First Half of 1941

From Our Own Correspondent

MONTREAL.—All previous records were broken by Noorduyn Aviation Ltd. in February when 32 Harvard advanced training planes were produced. The value of these machines, including government furnished engines, propellers and instruments, was approximately $1¼ million.

This is also believed to be a record for any Canadian factory in the production of fully equipped military aircraft. As an indication of increased production during the past year, the company produced only 20 of this craft during the first half of 1941.

Employment also has reached a new peak, the number of workers now being in excess of 4,300. At the beginning of the war, the company had approximately 140 employees.

See More Aggravation In New Salary Order

By STAFF WRITER

OTTAWA.—Recent publication of a revised and amended Salaries Order (P.C. 1549) giving latitude to war industry to increase salaries under certain conditions, is thought to further aggravate a situation which will not be clarified short of complete "freezing" of all salaried persons and officials.

Chief complaint of the earlier salaries order was that it put a premium on the shifting of employees into occupations (usually war jobs, civil service, etc.) which paid higher salaries than the rates at which their present employment was frozen.

The new order giving special privileges to war industry in the matter of raising wages may further accentuate that problem.

New clauses of the salaries order give the Minister of National Revenue power, where "necessary in order to maintain the efficient production of war supplies," to permit an employer "engaged in the production, repairing or servicing of munitions of war, or ships, including merchant ships," to grant salary increases in an amount approved by the minister to:

1. a salaried official who is a citizen of a country other than Canada and who is performing services in Canada requiring special technical or other special qualifications and experience;
2. a salaried official who was engaged at a probationary rate of salary on or after Jan. 1, 1940, and prior to Dec. 1, 1941;
3. a salaried official whose duties and responsibilities have been substantially increased, since his salary rate was established, by reason of new or additional production for war purposes in the plant, factory, firm or other production unit in which he is employed;
4. a salaried official whose rate of salary is unduly low in relation to the prevailing rate of salary generally payable for the same or substantially similar services in the same business or in comparable businesses, provided that the new salary rate established by the increase herein permitted shall not exceed the said prevailing rate."

Hat News FROM EATON'S

For Spring!
The New 'PREMIER' by STETSON

'Premier' fur felt hats by Stetson are designed for men who desire the best in materials, the most distinctive in style. Made from fur felt of exceptional quality, they come in snap brims and homburgs . . . in new Spring colours, including Prairie Fawn, Air Blue, Viking Grey, Sky Grey and Sepia Brown. Sizes 6¾ to 7½.

8.50

. Main Store—Main Floor. .

THE T. EATON CO LIMITED
TORONTO CANADA

Price Board Relaxes on Some Foods

(Continued from page 1)

maximum processing of staple vegetables. Some of these will go to Britain and the Allies but how great the demand from these sources may be is not known at this time. To let canners and growers proceed at once with plans for this year's production the Board has arranged for the Commodity Prices Stabilization Corp. to buy at guaranteed prices any surplus of canned tomatoes, peas, corn and green and waxed beans.

To qualify for assistance, canners must pay growers the higher prices stipulated. Prices at which the corporation will take over any surpluses are set and are intended to "safeguard the canner against undue loss." The maximum prices at which canners may sell 1942 pack of staple vegetables are also set out by order. Prices are zoned with Quebec prices for the most part slightly below Ontario and Western higher than Ontario. Using the Ontario prices for comparative purposes, the price at which canners can sell and the guaranteed price at which the corporation will buy surpluses are as follows:

	Canners' Max. Selling Price	C'modity Price Corp. Gtd. Min. on Surp.
	$	$
Tomatoes:		
Fancy	1.20	1.10
Choice	1.15	
Standard	1.10	1.05
Peas:		
Fancy	1.20	1.10
Choice	1.15	
Standard	1.10	1.05
Corn:		
Fancy & Choice	1.15	1.10
Standard	1.10	1.05
Green & Waxed Beans:		
Fancy	1.35	1.20
Choice	1.25	
Standard	1.20	1.15

The above prices are for a dozen tins packed in 28 oz. containers for tomatoes and 20 oz. for peas, corn and beans.

Foods Knotty Problem

Price ceiling difficulties seem to be mainly concerned with the length of time it takes to get decisions, particularly on subsidies of various items. Soap is becoming a serious problem for retailers with rising costs and ceiling prices fixed on a base period when goods bought at considerably lower prices were offered. Most lines of canned fruits are leaving retailers only a fraction of former profit margins. On canned peaches it is said to be as low as one cent a dozen cans.

While WPTB states it has no desire to see retailers continue to operate at ruinous prices, it maintains that nothing can be done for the present at least. There seem only two cures for such instances—breaking the ceiling price or subsidizing.

Tea Prices Jump

Canadian Grocer points out that tea prices in Ceylon are going still higher. Advances of four to six cents a pound recently have carried prices 22 to 24 cents a pound above the price prevailing the week before Japan entered the war. When these teas arrive in Canada, where prices are already 26 to 28 cents above their lows, substantial subsidies will be necessary to permit the price ceilings to be maintained.

This paper mentions prunes as another case where price increases at the source of supply are threatening Canada's price ceiling. Prunes cost over two cents a pound more than last fall, a substantial increase on a product costing from seven to ten cents. On prunes and rice, importers are being allowed to pay the 10% import tax and the 8% sales tax on the purchase value rather than on the fair market value, a saving of a fraction of a cent a pound.

In addition to restricting sizes and classes of foods that may be put in tin cans, no more imported fruits can be canned by Canadian canners. In the past it was a fairly regular custom for such fruits as pineapple to be imported and canned in the off seasons.

While major price control difficulties are still centred on foods, other lines have had their troubles. In textiles, the squeezing process has resulted in makers of cotton fabrics "rolling back" their prices to levels of last February. One rayon mill has gone back to 1939 levels. This action will ease the burden on many retailers, a large portion of whose sales are in goods wholly or partly made of cotton or rayon.

The sugar rationing order is another source of confusion and dispute. Industrial users of sugar are required to cut their consumption by 20%. But bakers were told specifically that they could not use icings on their cakes. They did not see why they should not be permitted to use their restricted amount of sugar as they wanted so long as they kept within their quota. One concession made has been the announcement that it will be sufficient compliance with the order if during February and March bakers keep within their 80% quota but after March 31 there is no definite information as to what is planned.

The War and Business . . .

Ottawa Pays Up

Some industrialists who had been waiting months for their cheques from Ottawa have received them recently. Orders apparently went out that, to help the Victory Loan campaign, there must be a clean-up of outstanding payments for munitions and supplies.

The Financial Post continues to receive complaints from manufacturers that Ottawa is "slow pay." Sometimes the trouble is merely red-tape between different inspection boards. Contractors are not allowed to include, as cost, interest on bank loans or their own capital. As margins are low, a large bank loan can eat away a substantial portion of the so-called "profit margin." On one not very large contract the manufacturer has already paid $50,000 in interest charges which he cannot recover.

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Tips From McNaughton

Most noteworthy feature of Lieut.-General McNaughton's visit to Canadian war plants was that he gave industrialists the benefit of the "user's" views on improvements in design. Reporters who dogged the Corps Commander's footsteps reported that he offered many suggestions; a stronger strut here, a less complicated mechanism there; and so on.

Most of the weapons being made in Canadian plants are based on British designs, many of them prewar. Experience in manoeuvres and battle has demonstrated the need for many changes in design. With a rare ability to adapt scientific knowledge to industrial practice, General McNaughton was able to show how costs could be cut, production speeded up and usability enhanced by what were, in many cases, minor changes.

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Britain's Food

In and out of Canada without being interviewed by the newspapers seems to have been the achievement of Britain's top authority on food. He is Prof. John Drummond, scientific adviser to the British Ministry of Food.

As a result of Prof. Drummond's visit there is likely to be an increased emphasis on shipment of high-nutrition foods, using a minimum of shipping space: such foods as dehydrated vegetables, concentrated fruit juices and dried eggs.

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Faster Cargo Ships

It is reported that the Japanese are building 18-knot cargo vessels, to keep up with fast naval ships.

The huge Canada-U. S. cargo shipbuilding programme is based upon the construction of a large number of standardized vessels much slower than that. Exact speed is a military secret.

Advantages of higher speed in cargo ships are obvious: ability to outrun submarines (Germany's newest will do 22 knots when full-out); more voyages per year; more tonnage per year per sailor, etc.

Disadvantages are not so obvious but may be more important: disproportionate space devoted to engines instead of cargo; higher fuel consumption per ton of cargo; greater vibration; difficulty of making up convoys, in view of the fact that most tonnage afloat is built for slow cruising speed.

Present tendency seems to be to build ships as cheaply and quickly as possible and to add speed, not to the cargo ships, but to the destroyers, corvettes and other escort vessels, letting them do the job of outrunning the U-boats.

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Transport After April 1

What about transportation after April 1?

Gasoline restrictions, it is confidently predicted, will cut motor travel at least 40% and eventually scarcity of gasoline plus the wearing out of nonreplaceable tires may bring the reduction up to 75%.

Outside the cities, the burden of replacing the automobile for transport must fall on the railroads and motor buses. No great expansion of the latter is anticipated. In the first place the bus companies are already using close to all equipment available, have no great hope of purchasing new, and they too are being somewhat restricted in the use of gasoline and tires.

Railway expansion, it is reported, hinges on equipment available. There is not a great deal of unused old rolling stock available and on most lines, too it is said to be impracticable to make up trains of old and new cars, because of differences in weights and special accessories. It would be impossible, say railway authorities, to restore all the local trains of 20 years ago without very substantial purchases or building of new equipment. In either case there would be long delay and interference with war production.

But the outlook is not entirely gloomy for the motorist who may soon garage his private car and depend on the railway. Even with the present additional traffic, there is room for more passengers. It is believed that most local trains now operating could carry up to 25% more passengers if all seats were filled.

* * *

Spending $145 Billions

For war on its own account, the U. S. government has appropriated approximately $145 billions, this to be spent just as quickly as industry can absorb it.

Slightly over 25% of this total will go into ordnance, which consists primarily of guns of all types, tanks, small arms, etc. The next chunk goes to aircraft, some 20%, then approximately 10% for each of the following—munitions and supplies, industrial facilities, warplanes, pay and expenses of the fighting forces.

For merchant ships there is slightly over 5%, almost as much for accumulation of stockpile, not quite as much for the various Army posts. The smallest item of all of the $145 billions is 1% or almost $1.4 billion for housing for defense workers.

Big Employee Purchases Feature Loan Success

With the $600 millions Victory Loan objective already achieved, emphasis switched this week from reaching that mark to hitting the new $900 millions objective. It is generally agreed that the record of this Loan is much better than the last, at no time have subscriptions lagged, at no time has final success of the operation been in doubt.

Passing the initial objective by any considerable degree should mean that the next Loan, probably in the Fall, need not be so heavy a load as expected earlier.

In marketing this Loan there has been a decided slackening in the amount of other securities that have been sold to provide funds for purchase of the new bonds as compared with previous campaigns. In the other three war loan drives the turning in of other securities, more particularly high-grade bonds, provided something of a problem in supporting the market for these issues. That problem has been virtually non-existent this time.

Indication from this is that a greater proportion of subscriptions are from actual cash savings. It is encouraging as indicating that the secondary objective of the loan—to immobilize potential civilian spending—is being achieved.

Factory Workers Up

Biggest feature of the whole campaign has been the impressive total of employee subscriptions rolled up by plant after plant across Canada. This may be attributed to the fact that the big increase in purchasing power has come to those workers earning $2,000 or less.

Number of companies which have achieved a 100% employee subscription or materially exceeded their quota runs into scores and covers practically every type of business in Canada.

Highest average employee purchase so far recorded in Ontario is that for Mattison-Hart Ltd., manufacturers of aircraft accessories and parts, whose 53 employees bought an average of $140 each. The 120 employees of A. C. Wickman (Canada) Ltd. have taken an average of $130 each. The big Anaconda American Brass Ltd. plant employs 2,350 and average subscription here works out to $120 per employee. Other typical examples of the smaller firms' record are provided by Neptune Meters whose 80 employees subscribed 250% of their quota and the 53 workers of B. F. Ackerman, Son & Co. who were given a $3,400 quota and subscribed $10,000.

It should be stressed that these companies are taken as examples from a long list of Canadian firms with, in many cases, just as good records.

An interesting illustration of the method companies used in building impressive totals among employees is that reported by Canadian General Electric Co.

The employees coast-to-coast in Canada contributed over $700,000 instead of the $600,000 quota originally set. This is in addition to the company investment of $2 millions in the new bonds.

The central committee named local committees in each of the factories and in each of the head office departments. Local committees in their turn appointed one canvasser for every 20 people. An inspiring letter from D. C. Durland, president, was mailed to individual employees and display and promotional material was available in every centre of contact.

Mass meetings of employees were held at a number of the factories. The meeting at the Davenport Works in Toronto had Miss Nancy Carroll and Sir Henry Drayton as guest speakers, and at the Peterborough Works, H. J. Carmichael, Director General, Gun Production Branch, Department of Munitions & Supply and Major General Macrae spoke.

The executive of the company arranged to make it possible for employees to purchase their bonds in convenient payroll deductions.

Trade unions have swung behind the Loan with substantial subscriptions. Included in this category are the International Brotherhood of Pulp, Sulphite & Paper Mill Workers who have taken $70,000; United Mine Workers for $50,000; International Associated Machinists for $50,000; International Brotherhood of Bookbinders for $25,000 and the International Brotherhood of Papermakers for $20,000.

TRUST PROMOTION

William J. O'Brien has been promoted to the position of assistant general manager of Chartered Trust and Executor Co.

Tourist Outlook Not All Gloom

(Continued from page 1)

of money in a summer. Many parents are reported sending their children to summer camps as one way of relieving a motorless summer.

Big conventions will probably continue to be a substantial and profitable source of tourist business. Canada has three very big ones already booked—the A. F. of L., the Rotary International and the international Lions annual meet.

Other sources of revenue which will continue in greater or less degree will be patronage of race tracks, fairs, hunting and fishing camps, railway transportation, etc. In 1940 over 500,000 Americans entered Canada by rail.

On balance, one official estimates that at the moment there are reasonable prospects that as much as half the business reported in the first year of war (1940) or about $60 millions may, with good fortune, be yet salvaged.

Canadian Newsprint Mills Price Plans Unchanged

From Our Own Correspondent

MONTREAL. — United States newsprint producers have been asked by the Office of Price Administration not to fix new second quarter prices until further notice. This step was taken in view of the current joint enquiry of the Canadian-U. S. governments as to the justification of the price increase of $3 a ton already announced by Canadian manufacturers to go into effect with the beginning of the second quarter.

Canadian operators have not been asked to defer their plans nor, as far as can be determined, do they intend to withhold the price increase pending outcome of the enquiry.

Report by March 20

Costs of the newsprint mills in this country are being investigated. The enquiry has not been completed, but it is understood the final report will be in the hands of the price control agencies of both Canada and the United States by March 20 at the latest. This would give the authorities plenty of time to study the findings and issue their pronouncement.

The Canadian manufacturers have the utmost confidence in the justification of the price increases. This is the first change in price since the beginning of 1938. It is not expected that they will have any difficulty in convincing the authorities their costs have risen in the past four years and that the proposed advance of $3 a ton is merited.

Company Reports

Canadian General Group

Common features of the annual reports of the Canadian General Insurance Co. and the Toronto General Insurance Co. which operate under joint management are:

Increases in net premiums earned.

Expansion in total assets.

Higher reserves and surplus.

Under an agreement between the two companies the underwriting income and expenses are pooled in the ratio of 55% to the Canadian General and 45% to the Toronto General. Pooling adjustments affect all figures in connection with premiums, reinsurance and claims.

Net premiums earned by the Canadian General in 1941 were $978,394, more than $44,000 above the level of the previous year. Net claims incurred amounted to $392,441, leaving an underwriting profit for the year of $585,952. The total loss ratio over all departments was 40.11%.

When all expenses are deducted, net underwriting profit of $86,559 is shown. This was erroneously reported in The Financial Post last week at $234,239. Total assets rose almost $200,000, holdings of bonds, stocks and agents' balances being higher. Reserves of unearned premiums rose $18,000 and policyholders surplus $69,000.

Net premiums earned by the Toronto General were $818,903, a gain of $164,000 over the previous year. After deduction of net claims incurred amounting to $351,189, a gross underwriting profit of $467,713 remains. The overall loss ratio was 42.89%. Net underwriting profit was $17,864. This was reported wrongly last week at $192,721.

Total assets during the year increased almost $200,000, holdings of bonds and debentures and stocks being higher. Agents balances due also showed a gain from the previous year.

Premiums reserve and policyholders surplus were both higher. Important items in the two statements follow:

Canadian General

	1941	1940
	$	$
Net prems. earned	978,394	933,707
Assets	2,127,843	1,934,324
Bonds & debs.	1,499,115	1,401,234
Stocks	241,173	234,737
Agents balances due	174,129	142,035
Res. unearned prems.	574,583	556,811
P'holders surplus	1,030,982	961,636
Loss ratio:		
Automobile	52.04	44.40
Casualty	34.01	35.84
Fire	35.41	34.63

Toronto General

	1941	1940
	$	$
Net prems. earned	818,903	654,461
Assets	1,659,079	1,471,450
Bonds & debs.	1,179,384	1,018,742
Stocks	207,785	177,335
Agents balances	89,512	82,830
Res. unearned prems.	470,113	371,543
P'holders surplus	800,902	778,234
Loss ratio:		
Automobile	52.69	60.01
Casualty	39.43	40.11
Fire	36.71	34.63

General Trust

Taxes paid by General Trust of Canada in 1941 totalled $43,602 against $29,513 in 1940, resulting in a decline in net profit to $5.18 a share from $5.70.

Senator Donat Raymond, president, points out that taxes being levied on the income derived from the investment of the capital as well as on its operating profits, were particularly onerous in the case of General Trust, whose capital is fairly high for its volume of business.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net earnings	100,627	92,233
Less: Taxes	43,601	29,513
Net profit	57,026	62,720
Less: Dividends	55,000	60,500
Surplus on year	2,026	2,220
Add: Prev. surplus	204,243	202,023
Surplus forward	206,269	204,243
Earnings per Share	$5.18	$5.70
Paid	5.00	5.50

Creditors' Position

	1941	1940
	$	$
Guaranteed account	2,075,986	1,766,336
Secured by:		
Liquid assets	2,075,986	1,766,336
Net capital assets	1,311,269	1,309,243
	3,387,255	3,075,579
Estates, etc.	49,680,773	49,747,574
Safe custody acct.	38,410,355	38,198,751

de Havilland Aircraft

Effect of the war on de Havilland Aircraft of Canada is best shown by changes in its balance sheet as summarized below. Judging from changes in inventories as at Sept. 30, 1941, volume of business on hand now is about six times what it was a year earier.

Income and Surplus Account
Years Ended Sept. 30

	1941	1940
	$	$
Operating profit	792,101	306,373
Less: Depreciation*	113,658	80,034
Income & E. P. tax.	590,000	150,000
Net profit	88,443	76,339
Less: Pref. dividend	18,935	......
Surplus for year	69,508	76,339
Add: Previous surplus	122,207	64,321
Less: Addit. 1939 depr.	......	18,453
Earned surplus fwd.	191,715	122,207

*Includes special depreciation on assets acquired to fulfill war contracts.

	1941	1940
Earned per Share:		
Preferred	$32.69	$28.22
Paid	7.00	nil
Class A	2.78	2.25
No class A divds. paid.		
Shares O/s.:		
Preferred, $100 par.	2,705	2,705
Class A, n.p.v.	25,000	25,000
Class B, n.p.v.	5,000	5,000

Working Capital

	$	$
Current assets	2,355,945	706,920
Current liabilities	2,072,462	516,712
Working capital	283,483	190,208

Balance Sheet Changes

	$	$
Accounts receivable:		
Trade	126,443	291,195
Dept. of M. & S.	845129	
Sundry	29,476	
Inventories:		
Materials, supplies	1,276,763	317,215
Finished aircraft	......	28,439
Work in process:		
Fixed price contra.	343,969	216,788
Cost plus contra.	1,463,305	
	3,084,037	562,432
Less: Amts. billed	1,718,089	145,217
	1,365,948	417,215
Bank loan	719,873	113,986
Accounts payable	599,457	200,186
Due U. K. de Havilland (current)	64,640	31,082

Canadian Fire

The annual report of the Canadian Fire Insurance Co. for the year 1941 shows:

An increase of over 19% in net premiums.

A slightly lower loss ratio.

Total assets of over $3.2 millions.

Net premium income for the year amounted to over $1 million compared with $847,801 in the previous year. Losses incurred during the year amounted to 38.7% of premiums earned compared with 39.6% in the previous year. Expenses likewise took a smaller proportion of premiums written, the percentage being 46.2: compared with 47.5% the year before. License fees and taxes took 9.8% of premiums written compared with 9.2% in 1940.

Total assets at over $3.2 millions were up $167,586 from the previous year. Holdings of bonds and debentures were up more than $200,000. Policyholders' surplus was $2.1 millions.

	1941	1940
	$	$
Net prem. inc.	1,010,786	847,801
Losses & adjust. pd.	262,683	245,567
Res. for losses	101,656	79,431
Gen. expenses	448,032	434,795
Assets	3,221,145	3,054,559
Bonds & stocks	2,256,182	2,039,338
Inv. certificates	251,695	450,809
Mortgages	62,119	74,729
Prem. res.	635,930	564,872
P'holders' surplus	2,110,814	2,086,184

Grimsby has struck its 1942 tax rate at 43 mills, a reduction of 11 mills from last year and the lowest rate the town has had since incorporation 20 years ago. In 1938 the town's tax rate was 61 mills, dropping to 59 in 1939, 57 in 1940 and 54 in 1941. Collection of taxes in 1941 on current account amounted to 86.63% of the tax roll as compared with 82.83% in 1940.

Investor's Index

March 7, 1942

Abitibi 12
Acadia Sugar 4
Acme Glove 9, 13
Algoma Steel 13, 20
Aluminum Co. 5, 20
Ames-Holden 5
Bathurst Pwr. 4
Beatty Bros. 20
Bell Telephone 15
Brompton Pulp. 14
Bruck Silk 15
Canada Cement 5
Canada Dry 5
Canada Malting 4
Can. Acme Scr. 20
Candn. Airways 20
Candn. Brewer. 4
Can. Car & Fdry 20
Candn. Dredge 20
Can. Fire Ins. 2, 15
Can. Gen. Elec. 20
Can. Gen. Insur. 2
Can. Gen. Trust 2
Candn. Indem. 8
Can. Iron Fdries. 20
Can. Locomotive 20
Can. Nor. Pwr. 5
C. P. R. 20
Can. Tube 5, 20
Can. Vickers 13, 20
Can. Wstnghse. 20
Can. Wire 14, 20
Cockshutt Plow 20
C'mwlth. Inter. 4 5
Crown Zeller. 5
de Hav'land 2, 5, 20
Dist.-Seagrams 2
Dom. Bridge 20
Dom. Engineer. 20
Dom. Foundries 20
Dom. Life 8
Dom. Rubber 20
Dosco 15, 20
Dunlop Tire 20
East Kootenay 15
Eastern Car 20
Easy Washing 9
English Elec. 5, 20
Fairchild 20
Fleet 20
Foundation Co. 5
Ford Motor 20
Fraser Cos. 12
Gen. Engineer. 20
Gen. Reinsur. 8
Gen. Stl. Wares 20
Goodyear Tire 20
Gypsum, Lime 9
Ham. Bridge 20
Ham. Cotton 12
Hayes Steel 20
Hiram-Walker 5
Hunt's 4
Imperial Tobac. 9
Indus. Accept. 5
Int. Hydro-Elec. 13
John Inglis 20
Man. Steel Fdry. 20
Massey-Harris 20
McK'non Indus. 20
Melcher's 12
Mersey Paper 20
Montreal Dry D. 20
Montreal Loco. 20
Morrison Brass 20
Morrow Screw 20
N. B. Telephone 14
Nat. Steel Car 20
Nor. Star Reins. 8
Northern Elec. 20
Nor. Ont. Mtge. 13
Noorduyn 20
Orange Crush 13
Ottawa Car 20
Page-Hersey 5, 20
Para. Pictures 9, 15
Robt. Mitchell 20
Saguenay Elec. 5
St. John Dry D. 20
St. Law. Pap. M. 12
Sawyer-Massey 20
Shawinigan Co. 20
Stand. Chemical 20
Stanley Realty 14
Stedman Bros. 12
Steel of Can. 20
Sutton-Horsley 20
Societe de Prets 4
Standard Clay 4
Trans-Canada 17
United Steel 20
Windsor Hotel 14
Woods Mfg. 14
White Aircraft 20
Winnipeg Elec. 20

REGULAR FEATURES
Banking 9
Bonds 5
Bond Quotations 16
Business, Week in 7
Company Reports 2, 8, 12, 14
Editorial 6
Income Tax Queries 13
Insurance:
Life 8
Investment Page 4
Enquiry Letters 13
Market Opinions 4
Stock Quotations 16
Mining Pages 18
Mining Quotations 16
Municipal Finances 7
Oil Page 18
Oil Quotations 16
Public Utility Earnings 7
Pulp and Paper 12
Wheat Page 17
Wheat Quotations 17

MINES AND OILS
Amalg. Kirkland 19
Aquarius Porc. 19
Bidgood 18
Bobjo 19
Calumet 19
Chesterville 19
Cochenour 18
Cons. Smelters 20
Dome Mines 5
D. Magnes. 19, 20
Falconbridge 18
Granby 5
Howe Sound 5
Howey 18
Hudson Bay 5
Inter-State Roy. 14
Internat. Mining 5
Internat. Nickel 5
Lake Rose 19
Macassa 18
McIntyre Porc. 5
Moneta Porc. 19
Numalake 19
Renabie 18
Reno 19
Roche Long Lac 19
Siscoe 18
Ventures 19
Yama 19

Seagram Sales $54 Millions Past Quarter

From Our Own Correspondent

MONTREAL.—Consolidated sales of Distillers Corp.-Seagrams Ltd. for the three months ended Jan. 31, 1942, reached the highly impressive figure of $54.3 millions. After providing for expenses and $3.8 millions provisions for taxes, net profits were equal to more than $3 millions. Indicated earnings on the common stock were $1.62 a share, as against 28 cents a share a year ago.

This showing is considerably better, both in respect to sales and net profits, than was reported for the same quarter a year ago. In that period, sales aggregated $36.4 millions and net profits only $695,785. The tax bill in the two comparative periods increased over 6 times.

All returns of the company for the quarter and half year ended Jan. 31 last, together with comparative figures of a year ago, are expressed in U. S. currency.

Consol. Income & Surplus Statement
Three Months Ended Jan. 31

	1942	1941
	$	$
Sales	54,259,990	36,354,517
Less: Cost of goods	40,462,449	25,810,611
Add: Other Income	113,057	107,167
Net revenue	13,910,598	10,651,073
Less: Gen. expenses	6,504,585	8,941,636
Directors' fees	5,250	250
Exec. salaries	157,214	90,519
Legal fees	81,217	84,038
Interest	150,808	131,814
Depreciation	81,929	45,124
Amort. of contracts	18,072	......
Loss sale of assets	13,943	35,124
Loss investments	112	......
Prov. income taxes	1,499,478	623,098
Prov. E. P. tax	2,322,736	......
Exchange adjust.	18,525	13,684
Net profit	3,056,728	695,785

Six Months Ended Jan. 31

	1941	1940
	$	$
Sales	96,001,665	62,624,676
Less: Cost of goods	70,201,506	44,688,070
Add: Other income	196,262	140,923
Net revenue	25,996,421	18,077,529
Less: General exps.	11,934,472	13,926,913
Directors' fees	10,500	500
Exec. salaries	248,833	173,399
Legal fees	148,106	142,062
Interest	282,358	201,693
Depreciation	131,761	88,842
W/o Contracts	36,144	......
Loss sale of assets	23,432	88,955
Loss investments	112	......
Inc. tax provision	3,497,953	1,442,342
E. P. tax provision	3,976,743	......
Exchange reserve	33,959	22,743
Net profit	5,672,047	1,990,080

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TO WIN THE WAR

Through its offices in Canada and abroad, the Bank of Montreal is co-operating with our Government in marshalling financial resources to win the war.

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Simpson's
THE STORE FOR MEN—STREET FLOOR.

Further Big Purchases Of New Victory Bonds

Further large company subscriptions to the Second Victory Loan have been reported this week to The Financial Post by Victory Loan officials. Those over $500,000 and of which publication is permitted include the following:

	$
Abitibi Power & Paper Co.	3,000,000
Br. Col. Workmen's Compensation Board	700,000
Prov. of British Columbia	5,000,000
C.P.R. and Employees' Pension Fund	10,000,000
Confederation Life Assoc.	5,000,000
Can. Car & Foundry Co.	1,500,000
Can. Permanent Mortgage Corp.	1,000,000
Chrysler Corp. of Canada	1,000,000
Canadian Western Lumber Co.	500,000
Can. Johns-Manville Co.	500,000
Can. Bank of Commerce Pension Fund	500,000
Can. Steamship Lines	500,000
Dom. Life Assurance Co.	3,500,000
Dom. Textile Co. Ltd.	2,500,000
Dom. Bridge Co.	1,000,000
Dom. Engineering Works	500,000
Excelsior Life Ins. Co.	1,000,000
Ford Motor Co. of Canada	3,500,000
Fraser Companies Ltd.	750,000
General Motors Co. ($1,000,000 contributed by McKinnon Industries, Ltd.)	3,500,000
Great Lakes Paper Co.	750,000
Hollinger Consolidated	1,000,000
International Nickel	10,000,000
Imperial Life Assur. Co.	4,000,000
Lake Shore Mines	1,000,000
Manufacturers Life Ins.	7,500,000
McIntyre Porcupine Mines	2,000,000
Monarch Life Assur. Co.	800,000
H. R. MacMillan Export Co. Ltd.	500,000
Marshall Wells Co., Ltd. (Winnipeg)	200,000
Prov. of Manitoba (various provincial funds)	1,219,000
National Breweries Ltd.	750,000
National Harbors Board	1,000,000
The New York Life Insurance Co.*	5,500,000
Noranda Mines and associated companies	6,500,000
North American Life Assurance Co.	5,000,000
Northern Life Assurance Co.	500,000
Province of Nova Scotia	1,000,000
Ontario & Minnesota Pulp & Paper Co.	800,000
Prudential Assurance of America	10,000,000
Province of Quebec Sinking Fund	1,000,000
W. T. Rawleigh Co. (plus)	500,000
Sun Life Assurance Co.	15,000,000
Steel Company of Canada	2,500,000
Swift Canadian Co.	2,000,000
Howard Smith Paper Mills	1,000,000
Teck-Hughes Gold	500,000
City of Winnipeg, Greater Winnipeg Water District Sinking Fund Trustees and Civic Pension Fund	750,000
Wright Hargreaves Mines	1,000,000

*Triangular deal involving purchase by U. S. firm of pre-war Dominion bonds.

Ottawa Said "Fed Up" With A.R.P. Demands

(Continued from page 1)

development now under experiment is an electric eye mechanism which would act automatically in the event that street lights were turned off.

Most recent cause of the lighting confusion has been P. C. 9818, the general order prescribing certain regulations in areas designated as "subject to the risk of enemy action." Some of its clauses, it is stated, were not even clear to those who framed them, let alone to those responsible for interpreting them.

Excessive Zeal

The order interpreted in many cities (Ottawa for example) as something to be taken very literally. Householders in the capital were told over the radio and through their newspapers that all porch lights must be extinguished with heavy penalties for any lights left on when the house is empty. Even the clockface on Parliament Hill was blacked out.

There has also been confusion, misunderstanding and carelessness about equipment. Sirens were ordered without relay devices. When they came to be operated on a central switch they uttered not a sound. Het-up municipalities have been bombarding Ottawa with requests for all manner of equipment, much of which may not even get clearance from the metal controllers as "essential" material. Montreal is complaining about its "useless" fire pumps described as having a capacity of about 150 gallons a minute, "while pumps with a capacity of less than 400 gallons a minute would prove of no assistance in fire fighting here." Similar complaints have come from Halifax and Quebec City.

Montreal, by the way, postponed its test blackout in order to tie-in with a proposed "nation-wide" blackout sponsored as a publicity stunt by the National Victory Loan organization. Investigation proved that a national blackout was not only impossible but unwise and possibly dangerous. Montreal finally had its test last week end.

"Here's why I think I'm going to die tomorrow in Burma"

IT'S the evening of January 23, when I'm writing this, folks, and I'm a long way from home.

The big, red sun is going down back of the mountains. And that sun looks the way Conrad and Kipling described it. It looks better, I guess, to me, because next sunset I figure I won't be around to help see that it gets down all right.

The word's around that the Japs are attacking tomorrow morning. They are bound to kill some of us—and I have a hunch that tomorrow is my day.

I'm not scared, and I'm not mad, but I do have a few words I'd like to say to you people back home.

The reason so many of us are getting killed is not because we're poorer soldiers than the Japs. It's because we haven't got as many planes or as many tanks or as many big guns as the Japs have. As long as this situation exists, we'll keep right on getting killed.

We know it isn't just the fault of you folks that we don't have the stuff we need to fight with. I know we in Canada were caught flat-footed. I know England lost most of her heavy equipment at Dunkerque. I know the United States didn't really get started till after Pearl Harbour.

But that's *past history*. By God, by *now* we have a right to expect the proper sort of arms . . . and expect them quick.

I understand our government is putting on another Victory Loan drive, so that we can have more of these arms—faster!

To buy these new Victory Bonds, some of you may have to sacrifice your entire bank account. Or borrow on your insurance. Or deprive yourself of every convenience you've been used to for years.

This may seem like quite a sacrifice to you. But I don't think it would seem *too* big if you were over here with us tonight.

Thank you, I think I'll go shave.

Buy the NEW VICTORY BONDS

This advertisement prepared and contributed by

Young & Rubicam, Limited, *Advertising*

Montreal and Toronto

Wealth Volunteers For Total War

How "Conscription" of Wealth Has Been Ahead of Man Power Draft

By A. D. ELLWOOD

No more ominous cry has ever been injected into a country at war than that of "conscript the wealth first."

Scarcely two voters would agree on a single meaning for "wealth," and if they did agree, they would clash over how it was to be "conscripted." But although it is for most people a meaningless jumble of words, the cry to conscript the wealth may win elections, may drive a class wedge between Canadians. Basically, the feelings that are being stirred up are those which underlay the fall of France.

Hitler's biggest and most complete victories have been over lands where his agents were able to stir up class or racial disunity, his most signal failures have been in Britain and Russia where he was unable to do either.

From the standpoint of winning the war, wealth in the productive sense is the vital definition: the ability to make things, the factories to turn out goods, the raw materials needed, the working capital to finance production. It is this kind of wealth that can be shifted to production for war, and that has been most thoroughly "conscripted."

Conscription drafts human beings, involving clothing them, feeding them, paying them and their dependents while they are in service. In the event of death or disability, the conscripted man or his dependents is entitled to a pension, and the government will probably aid in his post-war rehabilitation, by land grants, educational assistance, etc.

Under conscription, he escapes the possibility of unemployment, business losses, pay cuts and taxes that he would otherwise have to face. The risk he undertakes and the service he is doing his country can not be rated too highly and no praise can be sufficiently generous.

By contrast, industry or "wealth" does not get as favorable treatment as if it had been "conscripted." Industry is told what to produce, what price to charge, what wages to pay, can be forced at any time to turn to whatever job the government feels is necessary for the war effort.

How Conscription Works

Through a whole army of controllers, administrators, boards and committees, authorities at Ottawa tell Canadian industry exactly what it shall make and how much. Quotas have been set for the refrigerator industry, for the stove industry, the washing machine industry and dozens of others.

The automobile, radio and rubber industries have been told to shut down so far as civilian output is concerned.

A company is told whether it can export its product to another country or must keep it in Canada.

Recently, an order prohibited export of pulpwood except under license or to fill contracts arranged prior to Jan. 15.

Cheese, potatoes, some kinds of canned goods, etc., cannot be exported, as well as a long and growing list of chemicals, industrial products and raw materials, except under permit.

In the sense that it is telling the producer, whoever he may be, what he can make, how much he can make and where he can sell it, this is conscription of wealth. It is conscription of wealth that has for its aim the use of available goods and productive facilities where they are most needed, a kind of conscription that finds no one critical, least of all the owners of this wealth.

Factories Are Commandeered

The government in wartime goes further than this. It tells the automobile industry that it must stop making cars and trucks for civilians and the rubber industry it can make no more tires and tubes except for war. It tells makers of kitchen utensils that they can have no more aluminum and mightly little steel.

Ottawa takes the factories that have been making these prohibited, or restricted, goods and turns them over to making what it needs most. A factory that made ice skates now makes Bren gun mounts. One that used to make elevators now turns out anti-aircraft guns. Factories that used to turn out cars and trucks for sale to civilians in Canada and overseas, now make shells, universal carriers and army transport vehicles.

These factories have no alternative, even if they wanted to resist. The government has the power to use powerful persuaders, or if satisfaction is not received, to take over the plant.

Gradually Closing In

The women's hosiery industry had its silk consumption first reduced and then eliminated. Then it was told that it must cut down on colors and styles. Such controls are here or coming for practically all civilian industry. Manufacture of rubber footwear is considered a necessity in our climate but only a few styles in black rubbers and goloshes are to be made.

Then there is Canada's most sweeping move—our price and wage control policy.

This policy means that the manufacturer, wholesaler and retailer is told how much he can sell his goods for and to quite an extent to whom he may sell. He is regulated as to the wages he must pay his workers.

All this is conscription of real wealth. But to most people, wealth still means cash, not productive power.

Earnings Are Conscripted

For the 1942 edition of The Financial Post Business Year Book, there has been prepared a careful tabulation of what has happened to earnings of all Canadian companies whose securities are listed on the Montreal and Toronto Stock Exchanges, with the exception of mining companies and a few miscellaneous groups such as trust and loan companies. The list includes a total of 157 companies.

The compilation is divided into ten groups and eight of these show smaller net profits, after taxes, in the latest year than in the first war year. Without exception, taxes are higher, as much as 768% in the case of pulp and paper which incidentally is also the group to show the largest net gain. With only one exception—foodstuffs— earnings before taxes are up but the much heavier tax burden more than offset any gain.

Here are the results summarized:

Group:	Income & E. P. taxes 1940 $000	1939 $000	Net profit after taxes 1940 $000	1939 $000
9 Banks	8,084.5	5,169.4	13,339.4	13,757.6
7 Beverages	1,865.3	914.0	2,816.5	3,393.1
5 Construction	1,224.7	453.7	1,082.0	1,354.9
8 Foodstuffs	2,213.2	1,403.4	3,590.7	5,257.9
31 Iron and steel	16,649.3	5,278.3	17,670.0	18,154.5
13 Merchandising	2,125.3	994.1	3,306.9	3,021.9
29 Miscellaneous	55,805.2	21,509.9	75,861.8	81,742.2
5 Oil refining	10,548.6	5,477.6	22,245.0	24,484.7
19 Public utilities	16,912.0	8,809.6	25,347.9	27,938.3
13 Pulp and paper	4,895.0	564.1	6,277.4	1,498.2
18 Textiles	6,076.7	1,631.5	4,715.5	5,176.0
Total 157 companies	126,399.9	52,205.7	176,153.1	185,779.4

There is no evidence here that Canadian industry is profiteering. It is unable to maintain pre-war levels in spite of the tremendous gain in business activity.

Dividends Are Lower

Dividends show that in place of participating in the tremendous spurt of business activity, investors are left in the cold. They have barely been able to maintain their return on a pre-war basis, a comparison which again must be challenged because of the effect of personal income taxes.

Good indication of the trend of dividend payments and its relationship to business activity is the index compiled by Nesbitt-Thomson & Co. In January this year, when The Financial Post's index of business activity was at a near record level of 166.0, this dividend index was at 121.4. A year ago with The Post's business index at 154.6, the dividend index was at 120.0.

Business activity as measured by The Post's index rose 11.4 points in the year; dividends are up 1.4 points.

Bonds and shares represent the tangible, saleable evidence of ownership of wealth in its productive form. Shares give the readiest measure of trends of values in industry in wartime or in peacetime. Not all of them are listed on the Montreal and Toronto stock exchanges but enough are to give an acceptable index of what has happened to capital values since the war started.

Year-End Values All Listed Stocks
(Millions of Dollars)

	1941	1940	1939	1938
Montreal	3,910.6	4,305.2	5,037.1	5,322.3
Toronto	3,600.9	3,915.6	4,789.0	5,058.4

Each year since the war started the markets have placed a smaller and smaller money value on Canadian industry. The figures do not indicate a direct "capital levy." Rather they reflect the many other ways in which capital and wealth are being conscripted for war.

All of these prove to the average investor that his companies are worth less than they used to be. They reflect the fact that industry cannot participate in the unparalleled activity that it is carrying out; that it cannot keep any of the new wealth that is being created or pass it along to its owners in the form of dividends.

Turning to the personal side of this wealth picture—the actual income received by its owners and the accumulated estates they have built up to care for their heirs—we find the same signs everywhere that wealth is indeed being conscripted.

Ask any stock broker what is the source of much of the selling of securities that took place in Canada last year at income tax paying time. He will tell you that it was wealthy men — and some not so wealthy—who were forced to sell securities (often at a loss) to pay their income taxes.

The inroads of these taxes are again heavier for the man of wealth.

A married man with no childen, earning $20,000 a year over the past three years would have paid $3,100 in 1939; $6,800 in 1940 and $9,100 in 1941, including national defense tax in each case.

The badly battered balance, now not much more than 50% of his salary, would then have to withstand the attacks of the higher living costs. To maintain anything like his former standard of living would be frankly impossible, (a) because the type of custom-built goods bought by this type of man has been among the hardest hit by labor shortages and priorities, (b) because it is almost impossible to get sufficient domestic help at wages such a man could afford. In the meantime, the claims on him and his wife for war work and contributions have increased. On his death his estate will have considerably higher succession duties to pay.

If wealth has not been conscripted it has certainly been commandeered. No better indication of the reduced position of wealth and its owners can be had than the drop of $1.4 billion in the value of listed stocks since 1939. While that drop has been taking place, the national income has risen nearly $2 billions. Last year alone, the total of wages paid rose an estimated $600 millions over 1940.

CHANGES POLICY

W. T. McGrew, president and general manager of Campbell Auto Finance Co. Ltd., announces change of the company's name to Campbell Finance Corp. The company has been the largest Canadian finance concern specializing in auto loans but under a new broader policy loans will be granted on any recognized form of security, such as household property, cars, or the guarantee of two people.

Trends IN INVESTMENT

Business figures on page seven of The Financial Post, show general gains but the automobile industry is a notable exception. Operations in future months will make a startling comparison with a year ago, because of the end of passenger car output. General Motors announces its work is now 90% for war. Ford of Canada is at least as active. Chrysler is doing an enormous job.

• • •

For investors, these shifts from peace to war output bring uncertainties. Ford of Canada will still make money and should be able to maintain its modest dividend without difficulty. The finance companies may face greater difficulty as durable consumer goods get more and more scarce. Investors should study business figures but need to do so with care. In wartime they can exaggerate both the unfavorable and the favorable sides.

• • •

British security markets are undergoing great transformations these days. A post-war stock exchange shorn of Indian government and Canadian government or government guaranteed securities is "a spectacle which few people would have cared to contemplate before the war," comments The Investors' Chronicle, in discussing Canada's new deal with Britain. It points out that:

> "If a certain amount of asperity has crept into comments in the British financial press when dealing with U.K.-Canadian financial relationships over the past year, the time has now come to congratulate the Dominion on its breadth of view in its latest handling of these matters."

• • •

For British investors disappearance from their markets of United States, Canadian, Indian and to a great extent South African securities greatly narrows opportunities for satisfactory investment, particularly in trustee securities. One effect is likely to be that Australian and New Zealand loans, which have been out of favor with British investors since the war hit the Pacific, may regain some of their attraction. It is suggested that:

> "It is not unreasonable to suppose that if the necessity arises in this war the Mother Country will take care of the service of Australian and New Zealand loans. The cost would add little proportionately to our huge annual war expenditure."

• • •

Last year, the New York Stock Exchange handled the smallest volume of trading since 1918 and each year since 1936 there has been a shrinkage in volume. In spite of this, the exchange last year reported a net loss of $608,864 compared with $895,749 in 1940. Including non-recurring items, last year's loss was $2.2 millions, chiefly due to loss in sale of property.

Emil Schram, president, points out that since 1937 trading volume has decreased 58.3%, gross income of the exchange is down 37.9% and expenses have declined 32.8%. The exchange had 1,297 employees at the end of 1941 against 2,326 for 1937.

Although Canadian exchanges do not publish financial reports, it is doubtful if their experience has been much different from that of the larger New York exchange.

• • •

New York Stock Exchange proposes a general increase in its commission rates. The changes, if ratified by the membership, would raise the cost to the public of buying and selling stocks by about 25%, it is estimated.

The old argument of whether or not higher commission rates will kill what little business is left still is being thrashed out. Last year a cost survey of the New York brokers showed that investment business failed to produce profits because charges were too low and that speculative business had virtually disappeared.

Recently the Montreal and Toronto Stock Exchange adopted increased rates in certain classes of stocks according to price levels.

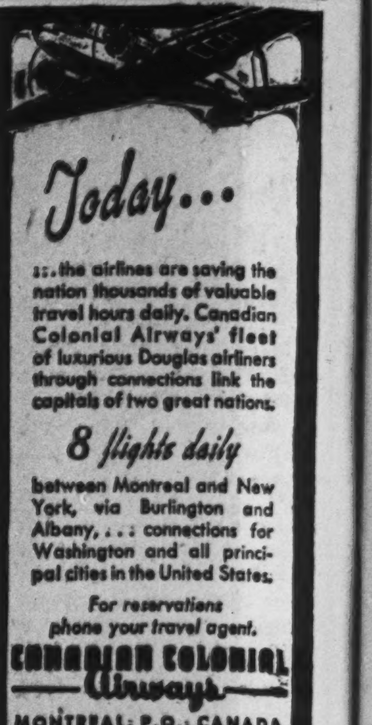
Market Opinions

Some suggestions that a satisfactory level for stocks is at hand are noted in the face of adverse war news.

Magazine of Wall Street, N.Y.—The great majority of stocks show stubborn resistance in the face of bad war news. We believe selective purchases for income and appreciation are justified among the issues displaying superior action.

• • •

Financial World, N.Y.—There is little incentive for the disposal of soundly situated issues at present prices; instead, investors could well be preparing for the inauguration of a more aggressive purchasing policy in the not far distant future.



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MONTREAL, P.Q., CANADA

March Dividends Drop Million From Year Ago

For the first three months of 1942, the dividend total as estimated by The Financial Post shows a decline of $1.7 million from last year.

This is only a modest decline, however, and one good month could easily wipe it out. March shows the largest decline with $1 million.

March brings its share of extras with nine companies doing their share. Asbestos Corp. is paying 15 cents a share extra. Belding-Corticelli is making the largest extra payment with $2 a share. Others paying extras are Canadian Celanese, Central Patricia, David et Frere, Granby Consolidated, Grey & Bruce Trust, Perron and H. Simon & Sons. Canadian Celanese is also paying a participating dividend on its preferred of $1.15 this year compared with 60 cents last year.

British Columbia Packers is paying the initial dividend on its common of $1.50 a share. Federal Grain is reducing arrears by $2 and de Havilland Aircraft by $1.75 a share. Maclaren Power & Paper has resumed payments with 25 cents a share, first payment since 1931.

Lake Shore and Sylvanite have reduced their dividends, the former from 35 cents a share to 20 cents and the latter from seven cents to five. Imperial Tobacco's final dividend on its ordinary stock this year is 17½ cents a share compared with 22½ cents last year.

Monthly Dividends

	1942 $	1941 $
January	22,952,057	23,026,402
February	10,016,154	10,655,895
March	26,869,967	27,821,583
Total	59,838,178	61,503,880

Summary of March Payments

	1942 $	1941 $
Dividends	26,869,967	27,821,583
Bond interest	12,818,000	12,818,000
Total	39,687,967	40,639,583

Industrials and Utilities

Company	Rate	Date	Amount
Agnew Surpass, c.	.40s	2	31,850
Aluminium	2q	5	1,488,820
Do., pref.	†1.50q	1	118,494
Anglo Can. Tel., A	.15q	2	73,065
Asbestos Corp.	.15q	31	90,000
Do., extra	.15	31	90,000
Assoc. Breweries, c.	.25q	31	59,500
Barber-Ellis, c.	.12½	15	5,500
Bathurst P. & P., A	.25	2	100,000
Belding Cort., extra	2	2	14,990
Bright, T. G., c.	.07½q	14	7,500
Do., pref.	1.50q	14	11,113
B. C. Packers	*1.50	16	204,418
Canada Cement, pfd.	1.25q	20	251,086
Can. Crushed St.	.10q	16	6,374
Canada Dry	†.15q	9	92,273
Can. & Dom. Sugar	.37½q	2	562,500
Can. Foundries, A	.37½q	16	14,227
Canada Malting	.50q	14	99,486
Canada Vinegars	.10q	2	9,200
Can. Wire & C., A	1q	15	29,668
Do., B	.50	15	75,332
Do., pref.	1.62½q	15	46,419
Can. Bakeries pf.	1.25	2	11,412
Can. Cel., inc. fd. rts.	1a	17	72,535
Do., com.	.25q	31	65,102
Do., extra	.25	31	65,102
Do., pref.	1.75q	31	175,000
Do. participating	1.15	31	115,000
Can. Inger. Rand	1q	4	190,400
Celanese of Amer., c.	†.50	31	556,394
Cap. Wire Cloth, p.	.38	2	3,800
Cons. Sand, pref.	3.50	2	24,790
Corr. Pap. Box, pf.	1.75	2	11,203
David & Frere, A	.25q	31	5,750
Do., bonus	.15	31	3,450
de Havilland Air., p.	1.75	14	4,820
Do., arrears	1.75	14	4,820
Dist. Seagram, c.	.55½q	16	973,231
Dom. Envelope, pf.	1.75q	1	7,402
Dom. Foundries, p.	1.50q	2	18,000
Eastern Steel, c.	.25q	2	14,500
English Electric, A	.62q	16	26,409
Federal Grain, pf.	▲2	2	60,000
Ford Motor, A, B	.25q	23	414,740
Gatineau Power, c.	.15q	31	249,337
Ham. Un. Theat., pfd.	1.25q	31	8,572
Imperial Tobacco	.10q	31	945,103
Do., final	.17½	31	1,653,930
Do., pref.	3%s	31	240,900
Lake of W. Mill.	.30	2	44,306
Do., pref.	1.75q	2	26,250
Langley's, pref.	.50	11	2,828
Laura Secord	.20q	2	57,500
Loblaw Groc., A, B	.25q	2	207,089
Louisiana Land	†.10q	16	296,495
MacKinnon Steel, p.	1.25	16	5,937
Maclaren Power	.25	5	125,000
Mitchell, J. S.	2.50a	2	37,500
Montreal Cottons	1q	16	30,000
Do., pref.	1.75q	16	52,500
New Meth. Ldry., p.	1.62½q	14	4,062
Nan-Duncan Util. p.	.81¼q	2	6,500
Northwest. Util., p.	1.50q	1	15,189
N. S. Light & Pr., p.	1.50q	2	36,450
Ogilvie Flour, p.	1.75q	2	35,000
Paton Mfg.	.50q	15	5,000
Do., pref.	1.75q	15	10,500
Photo Engravers	.50s	2	15,000
Regent Knitting, p.	.40q	2	6,400
Do., com.	.25	16	16,252
Reliance Grain, p.	1.62½q	14	32,500
Rolland Paper, p.	1.50q	2	22,500
Simon & Sons	.15q	28	4,507
Do., extra	.15	28	4,507
Do., pref.	1.75q	28	4,635
Stand. Paving, pf.	.31¼	16	16,381
Toronto Elevators, p.	.65q	7	18,676
Union Gas	.20q	14	141,239
Walker-Good.	1q	16	724,004
Do, pref.	.25q	16	140,204
West. Can. Hyd., p.	.20q	1	10,762
Total			11,569,190

Mining Companies

Company	Rate	Date	Amount
Aunor Gold	.04	3	80,000
Beattie Gold	.04	20	192,506
Berens River	.03	16	60,000
Broulan Porc.	.03q	31	80,820
Can. Malartic	.02q	26	73,027
Cent. Pat. Gold	.04q	30	100,000
Do., extra	.01	30	25,000
Coniaurum Mines	.04q	20	110,669
East Malartic	.05	31	200,000
Falconbridge N.	.05	26	168,875
Granby Cons. M.	†.15	2	67,539
Do., extra	.05	2	22,513
Hallnor Mines	.10q	3	200,000
Inter. Nickel, c.	†.50q	31	7,292,012
Lake Shore	.20q	16	400,000
Macassa Mines	.08q	16	214,245
McIntyre Porc.	.55½q	2	442,890
McKen. Red Lake	.03q	19	88,050
Negus Mines	.02½	23	49,925
Noranda Mines	1q	17	2,239,772
O'Brien Gold	.03	23	97,500
Perron Gold	.04q	20	80,000
Do., extra	.01	20	20,000
Siscoe Gold	.02q	16	92,801
Sudbury Basin	.02½	31	42,237
Sullivan Cons.	.03	16	120,000
Sylvanite Gold	.05	28	164,975
Upper Can. Mines	.03	2	88,890
Ventures	.10	31	157,395
Waite Amulet	.10	10	330,000
Young Davidson	.02	20	31,682
Total			13,331,323

Oil Companies

Company	Rate	Date	Amount
Amalgamated Oils	.04	15	60,000
Petrol Oil	.02s	2	4,400
Sec. Std. Rylts., pf.	.01	16	25,035
Stuart, D. A., Oil, p.	.20q	2	8,376
Sunset Oils	.01½	16	25,200
Total			123,011

Financial

Company	Rate	Date	Amount
Banque Can. Nationale	2q	2	140,000
Bank of Montreal	2q	2	720,000
Bank of Toronto	2.50q	2	150,000
Can. Int. Inv. Tr., pf.	.50q	2	7,527
Capital Trust	1	1	8,853
Confederation Life	1.50q	31	15,000
Dom. & Ang. Invest., p.	1.25q	2	16,187
Dom. Scot. Invest. p.	.50q	2	24,568
Grey & Bruce Tr.	1%q	20	5,447
Do., extra	¼%	20	1,361
Montreal Loan	.31¼q	16	7,500
Provincial Bank	1.50	2	60,000
Royal Bank	2q	2	700,000
Total			1,856,443
Grand total			26,838,285

q—Quarterly. s—Semi-annually. a—Annually. †Payable in U. S. funds. *Initial. ▲Arrears.

Bond Sales

Treasury Bills

A new issue of $45 millions Dominion of Canada treasury bills has been sold at an average price of 99.86388 for an average cost basis of 0.547%. This compares with a cost of 0.545% secured in the last previous issue. The present issue is dated Feb. 27 and will mature May 29, 1942.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper [illegible]	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
1942: Weekly Figures:												
Feb. 5	75.0	72.8	69.3	44.8	110.0	88.0	97.3	74.5	64.4	91.5	70.3	66.6
Feb. 12	74.6	64.4	68.8	44.4	109.4	87.5	96.6	73.4	62.6	91.2	68.1	65.3
Feb. 19	72.5	67.8	70.6	42.8	108.2	84.2	94.9	73.5	60.2	91.1	65.5	63.4
Feb. 26	71.3	67.2	70.3	42.2	107.2	82.3	96.4	74.1	61.1	90.6	67.0	63.5

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 3	84.59	73.19	65.56	17.33
Mar. 2	84.81	73.43	65.79	17.57
Feb. 28	85.24	73.16	65.51	17.52
Feb. 27	85.18	72.63	65.51	17.62
Feb. 26	84.97	72.43	65.71	17.61
Feb. 25	84.78	72.27	65.77	17.73
Month ago	89.13	77.30	68.55	18.22
Year ago	90.70	99.15	62.94	19.06
High, 1942	93.50	83.71	71.01	18.86
Low 1942	84.11	70.04	65.05	17.33

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Mar. 3	41.5	57.5	52.2	66.54	44.76
Mar. 2	40.8	57.2	51.7	66.84	45.03
Feb. 28	40.6	57.1	51.6	67.07	44.70
Feb. 27	40.5	57.1	51.6	67.46	44.70
Feb. 26	40.5	57.0	51.5	67.27	44.44
Feb. 25	40.4	57.0	51.5	67.88	44.44
Month ago	42.6	59.3	53.8	74.34	52.27
Year ago	48.9	55.4	53.2	63.29	76.52
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	40.3	56.8	51.3	66.54	43.00

Company Reports

Commonwealth Inter.

Commonwealth International Corp., management-type investment trust, reports income from investments, after income taxes, for 1941 of 18 cents a share on its common compared with 16 cents for 1940. Dividends of 16 cents a share were paid for each year.

Expenses, amounting to $8,282 for 1941 and $7,430 for 1940, are charged to surplus arising from profits on investments. The balance in this account, after deducting the expenses for last year and $2,012 for losses on investments, was $15,165 at Dec. 31, 1941. Distributable surplus is shown at $154,692 at the year-end. During the year $11,785 was charged against this account for redemption of 4,487 common shares while 375 shares were issued.

Advantage has been taken of premium on U.S. funds to reduce American holdings. Market value of investments at Dec. 31, last was $375,598 and cost $514,618. Comparative figures for the end of 1940 were $444,422 and $530,690 respectively.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Int. & divd. income	40,971	30,277
Less: Inc. & E. P. tax.	12,692	5,046
Net profit	28,279	25,231
Less: Dividends	24,448	25,624
Surplus for year	3,831	*393
Add: Prev. surplus	4,413	4,806
Less: 1940 E. P. tax	477	......
Earned surplus fwd.	7,766	4,413
*Deficit.		
Earned per Share:	$0.18	$0.16
Paid	0.16	0.16
Equity per Share	$1.95	$2.35
Shares O/s., n.p.v.	150,828	154,940

Canada Malting

Volume of sales for Canada Malting Co. in 1941 was highest in the company's history, reports Arnold C. Matthews, president. A substantial addition to productive capacity was completed late in 1940 and a steady market was found for the increased production in both export and domestic fields. All properties operated at 100% during the year and in consequence depreciation allowance has been increased.

Net profits last year were $3.05 per share on the common against $2.63 a share for 1940. Dividends totalling $2.50 a share were again paid. Provision for income and excess profits taxes was equal to $2.47 a share last year. No provision has been made for provincial profits tax for 1941 "as it is hoped such tax is abolished for the duration of the war."

Domestic demand has been increasing rapidly in recent months, largely due to war orders held by customers, it is stated. In spite of persistent enquiry and higher prices from foreign markets, export sales have ceased in order that domestic needs may be supplied adequately.

A moderate gain in working capital is reported. Inventories at $2.6 millions are up over $700,000 in the year. There is a reduction of almost $200,000 in cash, while investments at $1.2 million, practically unchanged from a year ago, have a market value of just over $1 million.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Oper. profit	1,409,836	980,330
Less: Directors' fees	2,500	1,875
Exec. & legal remun.	57,161	60,472
Depreciation	317,441	200,000
Income & E. P. tax.	493,260	273,543
Net earnings	539,474	444,440
Add: Invest. income	68,930	78,996
Net profit	608,404	523,436
Less: Dividends	497,430	497,430
Surplus for year	110,974	26,006
Add: Prev. surplus	1,646,554	1,544,640
Inc. tax adjust.	......	75,908
Earned surplus fwd.	1,757,528	1,646,554
Earned per Share	$3.05	$2.63
Paid	2.50	2.50
Shares O/s., n.p.v.	198,972	198,972
Working Capital	$	$
Current assets	4,588,144	4,028,386
Current liabilities	773,141	587,287
Working capital	3,815,003	3,441,099

Canadian Breweries

Canadian Breweries Ltd. reports net profits of $106,007 for the three months ended Jan. 31, 1942, first quarter of the company's year. (This compares with $56,844 for the same quarter a year ago.) On the preference shares, the company earned 65 cents in the latest quarter against 35 cents last year.

Working capital shows further strengthening. Cash and investments totalled $940,494 at Jan. 31, 1942, compared with $775,416 a year earlier. Inventories are up about $700,000 to $2.7 millions. A bank loan of $335,300 is shown where none appeared last year.

Mortgage payable at $120,000 is down $40,000 and funded debt at $1.6 million is down $475,000.

Profit and Loss Account
Three Months Ended Jan. 31

	1942 $	1941 $
Profit from oper.	440,360	255,931
Add: Other income	7,444	5,986
Gross earnings	447,804	261,917
Less: Interest	22,832	29,446
Depreciation	130,872	119,255
Income taxes*	182,000	53,200
Minority int.	6,093	3,172
Net profits	106,007	56,844

*Calculated at prevailing income tax rates subject to determination of Standard Profits.

Working Capital

	$	$
Current assets	4,150,263	3,078,808
Current liabilities	2,141,424	1,212,656
Working capital	2,008,839	1,866,152

Standard Clay

Standard Clay Products' 1941 statement shows further improvement, with total income of $114,106 contrasting with $92,189 the year before. After provision for all senior charges, net profit of $29,594 was equal to $3.94 a share on the capital stock. This contrasts with a net of $21,310, or $2.84 a share the year before.

The balance sheet shows a further improvement in net working capital, which is now at the highest level since 1932. The principal change of interest was an increase in cash from $88,007 to $142,553.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Total revenue	114,106	92,189
Less: Depreciation	30,551	31,392
Bond interest	27,474	27,474
Tax provision	26,486	12,013
Surplus	29,595	21,310
Previous surplus	5,943	*15,367
Surplus forward	35,538	5,943
Earned per Share	$3.94	$2.84
*Deficit.		
Working Capital	$	$
Current assets	376,016	341,123
Current liabilities	45,129	31,920
Working capital	330,887	309,203

Hunt's Ltd.

Sales of Hunt's Ltd. in the year ended Dec. 28, 1941, totalled $1.3 millions, an increase of 14.3% over 1940. Earnings before depreciation were $68,448 against $28,344 while after charges the company broke into the black with a net profit of $120 against a 1940 loss of $18,723.

H. W. Hunt, president and managing director reports that the three year programme of modernizing and improving the company's 32 stores has cost $125,000 and has been well justified by results obtained. Owing to government request to eliminate as far as possible any capital commitments it is not proposed to make any further extensive alterations.

Income and Deficit Account
Years Ended

	Dec. 28 1941 $	Dec. 29 1940 $
Sales	1,371,717	1,199,694
Net earnings	68,448	28,344
Less: Depreciation	68,328	47,067
Net profit	120	*18,723
Add: Prev. deficit	231,239	198,794
Loss on equip.	578	13,775
Res. for invest. loss.	5,116	1,768
Prior yr. adj.	......	1,821
Deficit forward	236,813	231,239
*Net loss.		
Working Capital	$	$
Current assets	90,290	85,441
Current liabilities	105,763	132,520
Excess of curr. liabs. over curr. assets	15,473	47,079

La Société de Prêts

Taxes paid by La Société de Prêts et Placements de Québec, Quebec, in 1941 totalled $33,045, almost $10,000 higher than in 1940, resulting in a drop in net profit to $2.25 per share from $3.35.

Dividend of $5 per share was repeated last year, being made possible through profit on the sale of fixed assets and realization of investments whose value had been covered by reserves. An addition of $2,400 was made to general reserve.

Marketable security holdings dropped almost $100,000 during the year to $49,204 while mortgage holdings moved up almost $240,000 to $984,496.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	51,056	50,342
Less: Taxes	33,045	23,579
Net profit	18,011	26,763
Less: Dividends	40,000	40,000
Deficit on year	21,989	13,237
Add: Previous surplus	112,221	109,921
Realizn. on invests.	7,892	13,685
Profit fixed assets	10,154	3,156
Realizn. fixed assets	4,144	185
Recov. of reserves	2,944	......
Investment profit	136	......
Less: Tax adj.	962	1,520
Surplus forward	114,836	112,221
Creditors' Position	$	$
Deposits	78,052	64,488
Secured by:		
Liquid assets	60,649	228,878
Mtges. & int. net	984,496	745,082
Other net assets	200,865	256,744
	1,246,010	1,230,704

Bathurst Net Higher in 1941

From Our Own Correspondent

MONTREAL. — Bathurst Power & Paper Co.'s operations in 1941 resulted in a net profit of $918,447, after provision of $612,298 for taxes, according to a preliminary report released by R. L. Weldon, president.

Taking into account the participating feature, net was equal to $2.17 a share on the Class A stock and 17 cents a share on the Class B stock. This compares with a net of $786,743 for 1940, when taxes absorbed $504,418. Share earnings in 1940 were equal to $1.97 on the Class A and nil on the Class B.

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CAMPBELL FINANCE CORPORATION LIMITED

Can Municipalities Stand the Strain?

Exemption of Government War Plants Involves Big Burden

That they are carrying a disproportionate load in Canada's general war effort is the contention of many municipalities today. While the part municipalities are playing in the war effort does not often achieve headlines, many of them are making a very appreciable contribution through the servicing of war plants.

The British North America Act forbids the taxation of Crown properties by municipalities. Municipalities in which there are war plants which the Dominion either wholly or partially owns must provide those plants with the same services as ordinary industrial plants but entirely without remuneration in the way of taxes.

Due to the concentration of such war plants in Ontario and Quebec, this is a particular problem for these two provinces.

In Toronto, for instance, the Dufferin Shipbuilding Co. formerly paid the city around $14,000 in taxes annually. Recently it was taken over by the Dominion Government and as Crown property will now make no contribution to the city treasury.

New War Plants

Of even greater impact on municipal finances are those new plants built for war purposes by the Dominion government. These plants are nearly always located in the outlying districts of some city, often on land formerly used only for farming. That means the municipality must supply all types of services, i.e., sewers, water, light, police and fire protection, etc. For all these services the municipalities are unable to tax the new plants.

These new war plants mean the influx of hundreds, sometimes thousands, of new citizens to a municipality that may formerly have had a comparatively small population. For the education of the children of these new residents there is heavy education cost to be borne by the municipalities.

In areas where the Wartime Housing plan has brought a considerable increase in population and services the Dominion has made some provision for reimbursement to the municipality concerned. However, it is claimed this return is not sufficient to even cover the additional educational costs. About $60 per pupil is the estimated annual tax requirement for educational purposes.

Token Payments

On that particular question a committee representing the County of York, Ont., makes the following comment:

"It is this committee's view that local municipalities should not acquiesce in the payment by the Department of Munitions and Supply of settlements which are simply for the actual demonstrable additional cost to a municipality as a result of the construction of such plants. The whole basis of municipal taxation, both in respect of local municipalities and counties is that all properties shall be made available for taxation purposes so that the municipality and the county will have the benefit of all improvements to real estate values. The only basis upon which municipalities are permitted to raise taxation is upon land values and this is particularly so since the right of a municipality to levy income tax has been taken away, first by the province and now by the Dominion. Unless the Dominion government is willing to take over the cost of education and unemployment relief and all of those other charges to which the municipalities contribute, then it seems fair that industrial properties in which the Dominion government is interested should be subject to municipal taxation as the creation of such plants contributes to the cost of municipal services to the same extent and in the same degree as purely non-governmental, industrial and commercial plants."

Post-war Problems

Above and beyond the question of immediate return is the greater problem of what will happen after the war. If these war plants are closed down at the end of hostilities it will mean that the individual municipalities will be saddled with a load of debt incurred for a then probably non-productive enterprise. What will then happen to the thousands of workers and their families who migrated to the municipality to work in the war plants is a closely related problem.

JOINS BRUCK BOARD

Gerald L. Bruck, who has been elected a director of Bruck Silk Mills Ltd. at the annual meeting, replacing the late Col. E. M. Renouf.

Another post-war problem that will arise from present day policies has been described by Controller Nora Henderson of Hamilton, as follows:

"In Hamilton we shall, after the termination of war, be faced with the problem of having many hundreds of prefabricated houses erected by Wartime Housing Ltd., which contravene our health and building by-laws and which can only be tolerated as temporary housing. These frame dwellings must be removed by the Dominion government authorities as soon as can reasonably be expected after the war, and we, in Hamilton, have already ensured by agreement that this will be done.

"What then will be done to provide these families with permanent dwellings opens up the question as to whether the breadwinners will still be in employment and whether there will be reasonable expectation that employment will continue."

Exemptions Climb

Bound up with the ordinary wartime problems of municipal finance is the longer term growth in the percentage of exemptions on the total assessment in the cities, a growth that the Ontario Municipal Association calls "one of the most disturbing phenomena in municipal finance since 1930."

In 1930 for Ontario cities exemptions were 14.40% of total assessments, by 1940 they had increased to 18.52%. Not only did the relative weight of exemptions increase, but they increased absolutely from about $303 millions in 1930 to nearly $382 millions in 1940. This works out to $220.83 per capita in 1930 and $258.49 per capita in 1940. During the same period the per capita taxable assessment in the cities decreased from $1,312 to about $1,137.

The Association reports that the same tendencies are noticeable in towns, particularly those which have industries, and in townships within the industrial areas of large cities.

Total exemptions of Ontario cities at the end of 1940 amounted to $409 millions. Of this amount $189.4 millions was municipal or government property; $35.6 millions was the property of public utilities owned by municipalities and the province; $99.1 millions represented the property of educational institutions. Hospital exemptions amounted to $26.7 millions, church exemptions to $44.5 millions, cemeteries to $4.1 millions and miscellaneous to $9.4 millions.

Taxing Government Property

On the logic of taxing government property a special committee of the Ontario Municipal Association reports:

"It is sometimes said that the existence of government buildings constitutes an asset to the city in excess of the value of the exemption of taxation, but the same thing may be said of large private enterprises. Either governmentally-owned buildings render public services or they do not. If they do, they should pay the total costs including the costs of local services to themselves and their employees. On account of the legal fiction that the property of the Dominion and provinces is owned by the Crown and is therefore not taxable, it may be true that nothing can be done at present in this case to lighten the burden on municipalities although there are some cases where the Federal Government or Federal enterprises has made payment in lieu of taxes. There is little or no difficulty about payment of water rates and there should be no difficulty about paying a share of the cost of the fire department and the police department and other direct services."

Efforts to come to some sort of settlement on the tax argument over Dominion war plant are proceeding on behalf of several municipalities, but so far no concerted presentation to Ottawa has been made. To those other municipalities not immediately concerned with war plants has come increased recognition that something must be done to stop the growth of exemptions to help protect the financial basis of their revenue structure.

Bond MARKETS

Nova Scotia may take steps to curtail the sale of liquor in the province. In 1940 the liquor traffic brought $2¼ millions into the province's treasury and Attorney-General MacQuarrie told the Legislature this week that when 1941 figures come down "the people of the province will be startled by the continued increase." Mr. MacQuarrie gave his opinion that liquor sales in Nova Scotia were higher than they should be and that the public would welcome a reduction.

* * *

Abitibi Power & Paper 5's of 1953 at mid-week were quoted at around 72½ to 73½, an improvement of better than 3 points on the week. Reason for the renewed interest was application of the Montreal Trust Co., trustee, to the court for an additional 10% payment on principal account of the bonds. This payment of $100 per $1,000 bond would involve a total distribution of over $4.8 millions and presumably would be made as a capital repayment in order to be tax free. Last year a capital repayment of 13 points or $130 per $1,000 bond was made. The Abitibi market price has since fully recovered that 13-point payment.

* * *

International Hydro-Electric 6's of 1944 have picked up fractionally in recent trading. Gossip from New York has it that the company may shortly make public an interest reduction programme. It is added that informal discussions on a plan have already taken place between International Hydro officials and some of the larger debenture holders.

* * *

Tax arrears are currently a subject of much interest in municipal financing, and in many cases elimination of these accounts would mean a considerable easing in the burden of such financing. Instances of the size of this condition have been afforded in recent days by Hespeler, Ont., whose Reeve Stager points out that if the town's tax arrears could be collected in one year, it would mean a reduction of about 10 mills in the tax rate. The Ayr Council has set its 1942 tax rate at 36 mills, up three mills over 1941. The increase is due to the deficit which is attributed largely to the considerable amount of tax arrears outstanding. Brantford Township has $156,000 in tax arrears and after special consideration of this matter the Council directed the Treasurer to proceed with every effort to collect outstanding taxes.

New Brunswick Surplus Expected to Be $111,508

Budget Anticipates Steady Revenues But Rising Expenditures, Largely for Cost of Living Bonus and Agriculture

Operating surplus of $111,508 for the fiscal year ending Oct. 31, 1942, is forecast for New Brunswick by Hon. J. J. Hayes Doone, provincial secretary-treasurer. Gross revenue, exclusive of the tuberculosis fund and the trust funds payable by the Dominion to the municipalities under the terms of the agreement now under study, are estimated at $10,803,781. Gross expenditures on the same basis are estimated at $10,692,273.

A revenue return comparable to that of the last fiscal year is anticipated. The Dominion subsidy will compensate the province for the loss of corporation and income taxes and will include a further sum of $300,000. This latter will more than compensate for any potential loss in the fields of taxation that are to be relinquished. Revenue from motor vehicle fees last year was about $1.5 million. In view of recent restrictions affecting the use of cars receipts for motor vehicle fees have been estimated at $150,000 less than last year's returns.

Expenditures Increasing

On the expenditure side, Mr. Doone pointed out, changing circumstances must be recognized. It is obvious that if business is showing a commendable uptrend, if natural products are receiving a greater return and our modes and standards of life are moving forward through increased monetary awards, higher prices and higher costs must follow in all lines of public endeavor. Major increase in government expense incident to this condition arises from payment of the cost of living bonus. This item will cost New Brunswick approximately $130,000.

Expenditure under the Department of Agriculture will show some increase. Temporary reduction in services in this department had been felt to be justified as a war effort contribution. Increasing demands, however, are being made upon the department for more normal supervision and for services commensurate with those previously supplied. Mr. Doone declared that failure to meet such demands may in the present crisis have a detrimental effect on agriculture interests.

Interest on the public debt will be heavier during 1942. For the past two years New Brunswick has been carrying large overdrafts in capital by way of treasury bills at a cost of slightly over 3%. As this was a temporary accommodation only, it was decided to fund capital expenditures. This was done through a public issue carrying a 4% coupon rate.

Summarizing financial results for the fiscal year ended Oct. 31, 1941, Mr. Doone reported ordinary revenues at $10,948,040 against expenditures of $10,046,806, leaving a surplus of $901,234. This was the largest surplus the province has yet enjoyed.

A new record also was established in respect to capital account. Expenditures were limited to absolutely essential public works. Resultant achievement was a net debt reduction of $747,725.

During the past fiscal year two New Brunswick bond issues totalling $6.3 millions were sold. The first issue was to refinance a $2 million maturity payable in U. S. currency. After taking care of $400,000 from the province's resources, a $1.8 million 20-year serial issue was offered at par to the public with a 2% commission being paid to the syndicate managers.

Second operation was the flotation of $4.5 millions 4% 12-year sinking fund debentures. This issue was negotiated to repay bank advances by way of treasury bills in respect to prior maturities, for certain capital expenditures and to provide funds for capital costs of the Hydro Electric Commission.

While discussing the province's financing Mr. Doone declared his opinion that the interest rate demanded of New Brunswick is too high. He claimed that the bond syndicates in negotiating the coupon rate on the province's bonds do not take sufficient recognition of the province's record in meeting its obligations.

Reviewing economic conditions over the past year Mr. Doone stated that forestry operations, which constitute one of the most potent factors in New Brunswick economic life, evidenced a well-sustained growth. Mining was carried on at an accelerated tempo, while fisheries, restricted in many former trade routes, found new outlets and new avenues of purchase giving broader return to these primary producers. Notwithstanding a shortage of labor, agriculture moved forward, potato prices finding new levels and many branches of the industry showing increased production. Notable among the latter was the output of cheese which displayed an outturn of 21% over the previous calendar year.

International Power Securities Corp. defaulted on its bonds some time ago. Since then committees have been working on reorganization for which four draft plans have been proposed, according to Ralph C. Tees, Montreal, Canadian representative on the 7% bondholders' committee. Most of the companies assets are in Italy which complicates any efforts to reorganize the company.

Alberta Budgets for Surplus

Claim Refunding Plan Can Be Reached

Forecasting a favorable over-all surplus for the current fiscal year and a $229,574 surplus for the fiscal year ending Mar. 31, 1943, Hon. Solon E. Low, Alberta's Provincial Treasurer, in his budget speech suggested that further steps on refunding the province's debt might soon be forthcoming. This "surplus" assumes continuance of the present policy of paying half interest on the province's debenture debt.

Mr. Low said Alberta wants to refund the whole of its debt and feels a satisfactory and equitable plan can be worked out. He declared:

"If the Alberta Refunding Committee set up by the province and the bondholders jointly last year will continue to approach the whole problem realistically and in a spirit of fairness, forgetting for the moment legal rights and recriminations, I feel certain that they will be able to arrive at an agreement that can soon be translated into action."

A good many phases of the problem have not yet been studied by the committee and intention is to call the members together again as soon as they are free to meet.

United Action

Whatever is done in Alberta will doubtless be the pattern for other western provinces, Mr. Low said, and therefore some form of concerted action might be found desirable, with an approach to the Federal Government for a scaling down of provincial debts held by them in the form of treasury bills. Meanwhile Alberta will continue its present policy.

Interim cash statement for the first nine months of the fiscal year ending Mar. 31, 1942, shows cash receipts on income account for the period at $20.2 millions compared with $17.8 millions for the same period last year, an increase of $2.4 millions. Cash payments total $14.6 millions, up a little over $54,000. Net capital expenditures at $2.6 millions are up over $493,000. Mr. Low anticipates a favorable over-all surplus at the end of the present fiscal year.

$229,574 Surplus

Estimated budgetary requirements and results for the fiscal year ending Mar. 31, 1943, may be summarized as follows:

Budget Estimates for Fiscal Year	1942-43
	$
Total revenue, income account	21,268,724
Total receipts, capital account	957,811
Total receipts	22,226,535
Total ord. expends. inc. acct.	17,798,237
Total payments, capital acct.	2,520,662
Net statutory payments	707,025
Unemplmt. relief & youth train.	971,037
Estimated over-all surplus	229,574

Revenue in income account is up almost $1.6 million from previous year's estimates. Revenue from income taxes, which is fixed at the actual amount collected in the fiscal year ended Mar., 1941, accounts for $940,000 of the increase. Profits of the Liquor Board are estimated at $2.9 millions, an increase of $300,000 but is below the actual the province will receive this year. In the Lands and Mines Departments an increase of $179,000 is anticipated, mainly from timber dues and royalties.

Expenditures on income account are up $985,524. Grants to schools are up $140,000 due to additional rooms and longer school terms. Estimates of the Department of Health show an increase of $246,000. Department of Public Works appropriations are up $130,000.

Treasury Department estimates are up $735,000. A total of $600,000 has been provided to supplement the Old Age Pensions to increase pensions to $25 a month.

Debt Cut $3.2 Millions

Net funded and unfunded debt of the province at Mar. 31, 1941, totalled $144.7 millions compared with $147.9 millions at end of the previous fiscal year, a decrease of $3.2 millions. The decrease is chiefly accounted for by accretions to sinking funds of $692,000, increase of cash and investments of $2.1 millions, and a decrease of $554,000 in unfunded debt by redemption of savings certificates. Provincial guaranteed debt amounts to $8,500,509 against $9,253,228 the previous year.

Wheat Yield Slashed

Reviewing the past year Mr. Low reported that due to the federal acreage reduction policy and unfavorable weather conditions, wheat yield in Alberta dropped to 88.5 million bushels, down 92 million bushels from the previous year. Dollar value of the crop shrunk almost $50 millions to $41.6 millions. This decline, however, was substantially offset by increased income from coarse grains and livestock, and also by Dominion Government payments under the wheat acreage reduction bonus and Prairie Farmers' Assistance Act.

Mr. Low declared:

"We must face the fact that until the farmers realize an equitable price for wheat in relationship to the prices of commodities which they have to purchase, the basic industry of western Canada will never regain the position it once held and to which it is rightly entitled."

Livestock Output Up

Many Alberta farmers were able to increase their production of livestock and by using their wheat for feed increased their income substantially. Cattle marketed numbered 441,000, an increase of 79,000 head over the previous year, valued at $20.9 millions, up over $2 millions. Number of hogs marketed increased from 1.5 million to 2.1 million head, realizing $38.6 millions, increasing the income of the producers by more than $14 millions. Dairy products reached a total value of $28 millions against $19.5 millions last year.

Referring to the extraction of crude oil from the tar sands at McMurray, Mr. Low said that the potential value of these massive deposits is nearing realization. With supplies of fuel oil from other sources being curtailed, he said there is reason to anticipate intensive efforts to increase the production of petroleum from the tar sands during the present year.

Bond Redemptions

Acadia Sugar ..	†4½%	1955	Apr. 1	102
Saguenay Pr. B	‡4½%	1966	Apr. 1	104

†$24,000. ‡$67,000.

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Investment Notes

Interest payments on Canada's public debt are being made increasingly in Canada. Estimates for the Dominion's civilian requirements tabled in the House of Commons this week showed interest payable on the public debt in the 1942-43 fiscal year at an estimated $144.3, up $14.5 millions from the previous year. Of this amount $127.8 millions will be payable in Canada, $20.5 millions more than in 1941-42. Interest payable in London will be $291,321, down $5.9 millions while $16.2 millions will be payable in New York, down $25,000.

* * *

Canada Cement Co.—Reduced operations are anticipated in 1942 due to restrictions on building operations, according to a statement made at the annual meeting by J. D. Johnson, president. There will also probably be a scarcity of some materials, he added, used in the process of manufacture and for renewals and repairs. Because of smaller production, indications are there will be a lesser profit per unit of output.

* * *

Courtaulds (Canada) Ltd. has reduced rayon yarn prices to December, 1939, levels, according to S. G. Dixon, president. The reduction, effective from Feb. 1, this year, affects an annual production of some 12 million lb. of viscose yarn. It represents a decrease of $250,000. By means of this, manufacturers using rayon yarns will be able to produce fabrics more cheaply and considerable pressure will be taken off the final retail price ceiling.

* * *

Dividends paid in February by corporations listed and traded on the Montreal Stock Exchange and Montreal Curb Market were unchanged from the same month last year at $5.7 millions.

Cumulative dividends for the first two months of 1941 amounted to $22.3 millions, an increase of $1.6 million over the like period a year ago.

* * *

Page-Hersey Tubes is to have a chairman of the board as well as the president under plans to be put before shareholders at the annual meeting Mar. 10. C. L. Dunbar, who has been president of the company for some years, but has announced his desire to resign, would be the new chairman, and A. W. Holmested, K.C., is to be the new president. Mr. Holmested, a Toronto lawyer, has been vice-president.

* * *

St. Regis Paper Co., which owns extensive timber limits in Quebec, reports consolidated net income in 1941 of $3,272,541. This compares with $2,136,054 for 1940.

Net sales, royalties and rentals which reached a new high record were $30 millions, against $21.4 millions in 1940, a gain of $8.6 millions.

* * *

Value of listed and traded stocks on the Montreal Stock Exchange and Montreal Curb Market showed a further decline of $46.7 millions during January to $3,900 millions and when compared with the same month last year was down $252 millions.

Ten of the 20 classifications listed recorded a decline last month. The loss was mainly due to the sharp decline in the oils and gold.

* * *

English Electric Co. is expected to report substantially higher volume for 1941 than it showed for 1940 which in itself was up 60% from 1939. How much of the higher operating profits will be carried through to net is another question, but it is expected that the figure will be better than in 1941. Taxes will take a heavy slice and depreciation will probably be higher. The class A stock earned $3.04 a share in 1940.

* * *

Canada Northern Power Corp.'s gross earnings in January at $392,266 were $28,107 less than a year ago. This decline was more than offset by a drop of $35,705 operating expenses leaving net earnings at $243,185. This compares with $235,587 in Jan., 1941. In neither case do the operating expenses include income and excess profits taxes.

* * *

Foundation Co. of Canada has declared an extra dividend of 25 cents a share in addition to a regular quarterly dividend of 25 cents a share, both payable April 18 to record March 31.

A similar extra was paid Jan. 20, 1942. In 1941 the company paid four quarterly dividends of 25 cents each.

* * *

Dome Mines shares are being admitted to unlisted trading privileges on the Detroit stock exchange. In the information submitted by the exchange to the Securities and Exchange Commission, it is pointed out that 29.133 Dome shares are held in the state of Michigan by 142 stockholders. In the United States this stock is also listed on the New York stock exchange and granted unlisted trading privileges by the Boston and Philadelphia stock exchanges.

* * *

McIntyre-Porcupine shares were purchased by Utility Equities Corp., U. S. investment trust, in the closing quarter of 1941. The trust bought 400 shares of this mining stock and held none before. An associated company, American General Corp., added 100 shares of McIntyre to its previous holdings, bringing a total to 300.

* * *

Crown Zellerbach Corp. and its subsidiaries, including Pacific Mills operating in British Columbia, reports for nine months ending Jan. 31, 1942, consolidated net income of $7,332,212, equivalent after preferred dividends to $2.36 per common share, $1.97 for the same 1941 period. Provision for U. S. and Canadian taxes on income for the nine months ended Jan. 31 totalled $6,590,593, compared with $4,606,480. For the three months ended Jan. 31, 1942, consolidated net profit was $2,856,253, against $2,224,333 for the preceding quarter and $2,118,689 for the quarter ended Jan. 31, 1941. The increased profit for the past quarter, as compared with the preceding quarter, includes non-recurring income representing dividends on outside investments.

* * *

Canadian Pacific Railway net revenue for January was the highest for that month on record. Gross income was $18.6 millions, nearly $4 millions higher than for the same month of 1941. Operating expenses increased, but net earnings at just under $3.2 millions were $518,301 more than in Jan., 1941.

January	1942	1941
	$	$
Gross earnings	18,660,272	14,685,345
Working expenses	15,476,210	12,019,583
Net earnings	3,184,062	2,665,761

* * *

J. Edouard Labelle, K.C., has been elected a director of Canadian Tube and Steel Products Ltd., filling a vacancy caused by the recent death of Senator Lorne C. Webster. Mr. Labelle is president of Canadian Vickers and is associated with a number of other Canadian corporations.

* * *

Commonwealth International Corp. increased its proportionate holding of high-grade bonds and Canadian stocks last year while reducing American stocks held. Portfolio changes were:

Additions

Canadian Vickers 6% bonds
Dominion 3/51, 3/52
Gair Co. (Canada) 6/56

Deletions

Canada Malting
Distillers-Seagram pref.
American Tel. & Tel.
U. S. Steel pref.

* * *

Port of Montreal customs and excise collections during February were $16.5 millions, a new high record for the month, and exceeding the returns for February, 1941, by 22.8%. During the fiscal year ended March 31, 1941, collections at the port of Montreal aggregated $158.7 millions. With one month still to go, collections in the current fiscal year are now $37 millions, or 23.4% greater than this figure, at a total of $195.8 millions.

* * *

Industrial Acceptance—The effect of government restrictions on automobile production and in turn the financing of new sales, is demonstrated in official figures. January sales of 6,766 new and used motor vehicles were financed for a total of $3.3 millions, a decline of 29% in both number and amount of financing below the January, 1941, returns.

* * *

Saguenay Transmission Company, Saguenay Electric Co. and Aluminum Power Co., have made application to Parliament for an act approving the sites and plans of the present existing crossings of their respective transmission and distribution lines over a number of rivers in the counties of Chicoutimi, Lake St. John and Roberval.

* * *

Ames Holden Tire and Rubber Co. has called for redemption on May 1 next, $23,700 par value of 7% first mortgage bonds at 105 and accrued interest. At the end of 1939 the company had outstanding only $49,800 of the first mortgage bonds. Under the terms of the trust deed the sinking fund will be sufficient to retire the whole issue at or before maturity.

* * *

de Havilland Aircraft has declared a quarterly dividend of $1.75 a share on its preferred, plus an extra of the same amount, both payable Mar. 14, 1942, to record Mar. 4, after which arrears will be reduced to $59.50 a share. The company paid $7 a share late in 1941 and the same amount in 1940. Annual report for year ended Sept. 30, 1941, shows net profits equivalent to $2.78 a share on the class A, after allowing for preferred dividends, compared with $2.29 a share for 1940.

Gordon R. M. Dingle, formerly comptroller of Massey-Harris Co., has been appointed financial director for de Havilland.

* * *

S. E. C. report of security transactions and holdings includes the following of Canadian interest:

Canada Dry—S. Bayard Colgate, director, held 4,300 common shares; through an estate in which his proportionate interest is not known, acquired 4,900 shares, holding 10,900.

Granby Consolidated Mining—A. S. Baillie, officer, disposed of 1,000 shares, retaining 300. J. B. Beaty, officer and director, acquired 500 shares, holding 5,000. H. J. Wardell, officer, acquired 200 shares, holding 700.

Hiram Walker-G. & W.—T. H. Gibbons, officer and director, disposed of 200 common shares, retaining 45.

Howe Sound—E. B. Schley, officer and director disposed of 200 shares, holding 22,038.

Hudson Bay Mining — Henry Crumb, officer and director, disposed of 680 shares by gift, holding 31,300. C. V. Whitney, officer and director gave 5,000 shares to his wife, holding 183,294 directly and having an interest in 18,467 shares through Whitney Realty Co., 700 shares through Beaconsfield Corp., and 125,000 through C. V. Whitney Trust.

International Mining—H. C. Hoffman, officer and director acquired 100 shares, holding 200.

International Nickel—A. V. Stout, director, received 13 shares in distribution of a trust account, holding 9,913.

International Nickel—J. L. Ashley, director, disposed of 2,000 common shares, holding 18,184 shares of common and 100 shares of $100 par 7% preferred. Lord Weir, director, holds 1,166 common shares, disposed of 4,500 $5 par preferred, retaining 1,000, and held one share of $100 par preferred.

International Nickel Co. shares were purchased by State Street Investment Corp., large U.S. investment trust, in the closing quarter of 1941 to the extent of 3,400 shares. This trust held 16,000 shares of this stock at the end of 1941.

McIntyre-Porcupine—B. E. Smith, officer and director, acquired 3,900 shares, holding 4,900.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Feb.			May 29, '42	$45,000,000	99.864	.547%

WANTED

Assistant General Manager

Outstanding opportunity for man with successful merchandising experience to fill the above position with a large corporation dealing in dairy farm products and supplies. Applicant required to submit references, statement of qualifications, age and salary expected. Correspondence confidential.

Box 254, The Financial Post, Toronto.

Retail Merchandiser and Store Manager

Thoroughly experienced man with a successful record wishes to make a voluntary change where ability to build sales and profits along sound principles is required. Middle aged and knows the requirements for a successful operation based on practical experience. Buying, selling, promotion, managerial control along with centralized chain store experience. Now successfully employed in responsible position but wishes to connect with concern where ability along these lines will be rewarded. Salary not so important as compensation for results produced. Replies strictly confidential.

Box 248, The Financial Post, Toronto, Ont.

Attention, Executives of War Industries!

I AM 45

I HAVE
a good position

BUT
I would like to be in work of greater national value

Well educated; technically minded and trained; present position fourteen years merchandising management; previously importing, manufacturing and national distribution; executive and organizing ability. Healthy; presentable; married with family; home owner; Protestant; active service overseas 1915-18. Present position offers interesting and remunerative future but am desirous of utilizing to full my capabilities and of being of more direct and immediate service in this national emergency. Minimum living requirement $3,800.

Box 252, The Financial Post Toronto

YOUR OPPORTUNITY TO LEASE!!
A PORTION OF YOUR PREMISES!
7,000 TO 10,000 SQ. FT. REQUIRED

Well-known manufacturer needs the above space for offices, show rooms and warehouse in Toronto.

CENTRAL LOCATION PREFERRED BUT NOT ESSENTIAL

Willing to negotiate lease for suitable space on right terms. If your industry is depressed due to war conditions, possibly you would consider leasing the required space. Communicate in first instance, giving particulars, to

Box 250, The Financial Post, Toronto

The Editorial Page . .

Should We Raise Income Taxes?

Reports from Ottawa indicate that the government is planning still higher income taxes presumably with the higher brackets as usual bearing the brunt of the blow. Admittedly and for the duration of the war at least, more revenue must be found to finance the staggering costs of modern fighting forces. But is raising an already heavy tax, one that many observers believe has reached the saturation point, the best way?

When our war finance policy was being evolved Canadians were told that taxation had two functions to perform, first to raise revenue and secondly as a weapon to fight inflation. Both were of equal importance. If that policy was sound when first announced then it should still be sound today. But a general raise in the income tax seems to have little to do with it.

There is no threat of inflation today from the salaried class. As a rule they are carrying on at the same income as they received before the war but are now paying several times the taxes and in addition are putting every penny they possibly can into Victory bonds and war savings certificates. If their income tax is further boosted then that boost must be made good at the expense of future purchases of war bonds and certificates. Even at present, it is no secret that thousands of them had to borrow on insurance and other assets to purchase bonds in the current drive.

The main threat of inflation today comes from the new war purchasing power, from the half million or more new workers in Canada since the war. Only this great army has the wherewithal to increase its spending to absorb our dwindling supply of consumer goods and send all prices soaring.

But a sharp boost in income taxes will have little effect here. If we hope to use taxation to prevent inflation then we must absorb this potentially dangerous purchasing power and divert it to war. Higher income taxes will not do that. A higher national defense levy, a broadening of the income tax basis or higher sales taxes might.

A Giant Ready For the Call

John MacCormac, in his new book "America and World Mastery," says that the Canadian people have "a vague feeling" that in their direct war effort there is something missing "but they are not quite sure what it is." Mr. MacCormac seems to think it is lack of inspired leadership; in any event he comments "There is no remedy for half-heartedness at the top."

Two feelings are developing side by side in the minds of the Canadian people. They are becoming more apparent every day.

One is a desire to do more to speed victory; to "get on with the job." They do not want the war protracted into infinity.

The other is a feeling of frustration. Canadians sieze every chance to demonstrate how much their heart is in the war. Volunteering for the fighting forces has been more enthusiastic than the recruiting campaigns themselves. Response to the Victory Loan campaign has provided astonishing evidence of the desire of Canadians to feel that they are playing a part in the war. Sugar rationing, gasoline rationing, the ban on cars and tires have all been accepted without whimpering. But how much chance do the people get to really identify themselves with the war?

* * *

Dorothy Thompson apparently finds the same feeling of frustration in the United States. There, she says, the State is usurping the role of the nation. The bureaucrats have taken over the war and treat the people as outsiders. Instead of mobilizing the people, bureaucracy is expanding and mobilizing itself.

If this war is to be won it will be won by the people; and not by bureaucracy. It is the people, then, who must be aroused; who are waiting to be aroused and to be led.

This calls for leadership at the top. It calls for a franker and more thorough exposition of the challenge of the war by the Prime Minister and his cabinet.

There are powerful agencies in existence through which the country can be aroused and its sense of frustration allayed. The chief agency for creating morale and spirit is the press. In this country as in the United States the press has been inadequately used.

* * *

When the Minister of Finance launched the wartime wages and price control measures he called the editors of Canada to Ottawa; talked to them frankly; informed them and asked their support. When Churchill was here he talked frankly to a group of editors. These were excellent precedents.

Mr. King himself has never more than half-heartedly discussed war policies with the editors of Canada. Following Mr. Ilsley's conference he invited the same editors to an off-the-record conference. But he and most of his ministers have acted as though the press were a nuisance. They have been touchy about suggestions and criticism; have called them sabotage.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

Heaven knows that there has never been enough criticism of a constructive character—and even of an explosive character—in this war. J. V. McAree, columnist for the Globe and Mail, Toronto, this week pondered upon what different fate might have befallen Singapore had there been one editor there willing and able to expose and break down the civil service caste system that rotted that citadel. Inviting public criticism is one phase of leadership. But it is only one.

There are hundreds of thousands of people in Canada who are restlessly on the verge of a great spiritual reawakening in respect to the war. Canadians are anxious to get on the march. It would take little to stir them to action and sacrifice beyond anything they have yet contributed.

In leadership, too, there can be "too little, and too late." What is missing is a spark of inspired leadership from Ottawa.

Put the Senate to Work

Admittedly at a time like this, the services of every single Canadian are needed. Yet, there is a group of experienced men and women at Ottawa, who for long periods of time are given practically nothing to do. This is the Canadian Senate, normally composed of 96 members, of mature experience and judgment.

Under our present set-up the Senate must wait until the House of Commons in its own good time, passes along legislation for approval or debate. Often this waiting is a matter of weeks and by the time the legislation reaches the Upper House the public may have lost interest and the effectiveness of the Senate's opinion is thereby lessened.

Last week The Financial Post consulted a group of prominent Canadians on the rôle of the Senate. Almost without exception they agreed that as functioning at present, the senior body was of little value, but most of them have also agreed that it could be and should be made useful.

Even as presently handicapped, the Canadian Senate has, on more than one occasion, saved the government much expense and embarrassment by detecting grave weaknesses, dangers or mistakes in legislation passed along to it. The members of the Senate are well qualified for such work, because as a rule they have had long experience in both legislation and business, and they have reached the stage when they are less likely to be blinded by political partisanship.

If some arrangement could be made whereby government measures were passed along to the Upper House before being introduced in the Commons, this good work might be increased. The Senate would have something to do during the early part of the parliamentary session and the Commons and the public generally, might be spared some of the time wasting debate which now figures so prominently at Ottawa.

Another suggestion, from Professor F. H. Soward of the University of British Columbia, is also worthy of consideration. The Senate, he says, could do a very useful job of investigation by special committees as is the case with the American Senate. Why, for example, asked Professor Soward, could not the Senate have investigated the Hong Kong incident in place of the Chief Justice of Canada?

Ottawa must set an example of utmost efficiency to every Canadian citizen at this critical time. A step forward in that direction, would be the placing of the Senate in a position where it can really accomplish useful work.

Criticizing Our Allies

A month before the German troops overran France an army of secret agents invaded that country and prepared the way. They spread stories about friendship between France and her allies. The old lies about Britain being willing to fight to the last Frenchman were repeated again and again, and they found some believers. Complete victory was scored when, just a few weeks before the collapse of France, the Premier of that ill-starred republic in a world broadcast denounced the King of the Belgians as a traitor and a deserter. The broadcast certainly didn't help France and later disclosures prove that it was entirely unjustified.

Events of the last few weeks indicate definitely that the people of the United Nations have not yet realized the danger of such dissension. There has been noticeable and public bickering which undoubtedly Nazi and Jap agents are trying to fan into a blaze. The weakest point on any front is where two allied forces join. In this war we have 26 nations linked together, 26 vulnerable points in our common front.

Since last December we have suffered grave setbacks on the actual battlefront, but these setbacks are not fatal and the enemy cannot exploit them fully so long as the allies remain united and determined. But when Americans, Russians and British start abusing each other or when Canadians chime in, then whether we realize it or not we are playing directly into Hitler's hand and risking the very same undermining, which softened the way for the German blitz on France.

None of the 26 partners in this gigantic crusade has done its part so perfectly that it can afford to lay all the blame on the others. At least until victory is assured it would be well for each of them to confine its public criticism to its own efforts.

These Folk Cutting Out Waste

On the outskirts of Toronto is a residential suburb made up of a small number of large and widely-scattered homes. The residents were served by several bakers, several milkmen and a very large number of retail merchants. The waste of gasoline and tires was very great, yet all of the companies desired to give "service" to people who were, individually, good customers.

The residents themselves got together a few weeks ago and ended the waste. They held a meeting and selected one dairy, one baker, one butcher, one grocery store, one fruit store, one laundry, etc., to serve them all.

There are thousands of opportunities for people to cut out wartime waste. These people did not merely holler for someone to "do something about it." They stepped out and did something themselves.

Editorials in Brief

Some of Churchill's appointments will either create new leaders for Britain or blast some "white hopes."

* * *

From the town of Plenty, Saskatchewan, a correspondent writes to the editor on the subject of conscription of wealth. With an address like that should he worry about this problem at all?

* * *

Don't lay up your car; budget its miles to last out for the duration, an American tire company advises. It's good advice; almost every car owner has some war service to perform which can be expedited by careful use of his automobile.

* * *

Britain built 4 million new houses between the two wars. Which leads John Chamberlain, book reviewer of the New York Times, to remark that that explains the policy of "appeasement." Britain puts its time and effort into housing instead of into anti-aircraft guns and fighter planes.

* * *

What a re-adjustment is facing those people who are now driving at the rate of 12,000 miles a year but who after April 1 must cut this by two thirds. They would be well advised to start practising gasoline economy and street car travel in the few weeks remaining before the restrictions are clamped down.

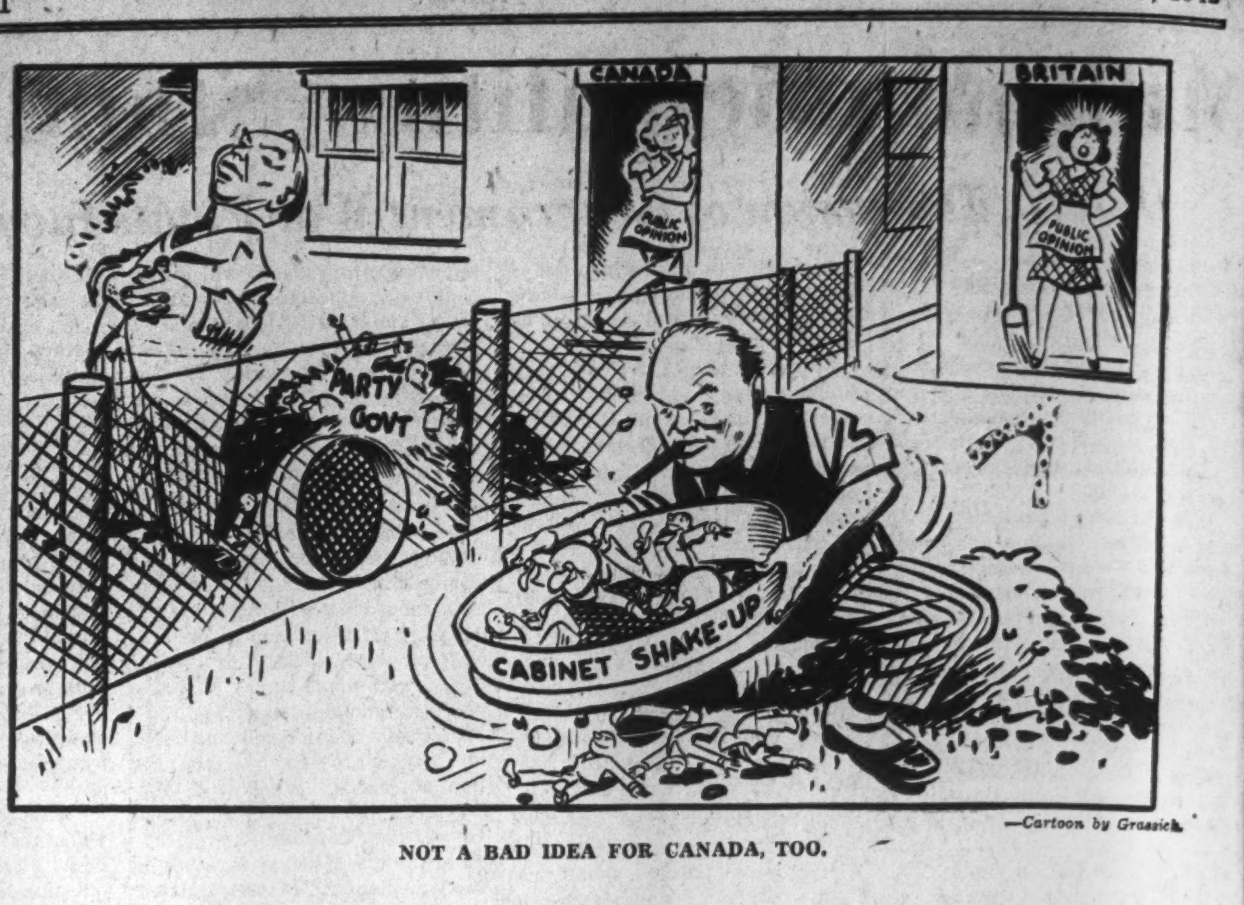
* * *

The amount of "dirt" that is thrown at an individual or a newspaper is less important than the amount that sticks.

We ran across, the other day, a clipping from the Eatonia, Sask., Enterprise of August, 1936, in which The Financial Post was smeared as the "mouthpiece of the bankers and financiers"; as the "capitalist-controlled press"; as spokesman for the "financial octopus" and a few other things.

The diatribe was stimulated by our forecast that Premier Aberhart would never introduce Social Credit into Alberta. The Eatonia paper insisted that it could and would be done.

Well, what about it, Mr. Editor?



NOT A BAD IDEA FOR CANADA, TOO.

—Cartoon by Grassick

Post-Scripts . . . .

Cost-Cutter

If you should want to initiate a programme of economizing and first pick on a name as heather-redolent as Hugh Alexander Mackenzie to boss that programme, chances are that you have made a good start. That is what the Wartime Prices and Trade Board felt when they lifted Hugh Mackenzie from John Labatt Co. and handed him the job of cutting out the frills in Canadian industry and bringing general business to a more efficient operating level.

Mr. Mackenzie, however, has far more than a good Scottish name with which to meet the countless new problems of his brand - new job. Part of his work will be to educate businessmen to changed business methods. He comes by his educational talent honestly for 41 years ago he was fathered by Michael A. Mackenzie, Professor of Mathematics at the University of Toronto and one of Canada's outstanding mathematicians. He had his first formal education at Lakefield Preparatory, his uncle's school. He then went on to Trinity College School in Port Hope and the Royal Military College at Kingston.

H. A. MACKENZIE

The Mackenzie flair for figures led him into the field of accountancy and after taking his C.A. degree he joined the Lindsley mining interests as comptroller. Under the Lindsley wing are Falconbridge Nickel, Ventures, Sudbury Basin, many another internationally known base metal and gold mine.

First wave of the depression dropped base metal prices sharply enough to cause Hugh Mackenzie to look to other business fields. In 1930 he found greener pastures with the London brewers, John Labatt Co. By 1935 Mackenzie moved from his post as comptroller into the sales manager's office, two years later he became general manager, the position from which he is now on leave of absence.

With the Labatt organization Mr. Mackenzie showed a highly developed public relations sense. One of his noteworthy contributions was inauguration of a highway courtesy service by Labatt trucks. Company drivers plying the highways were told to lend a helping hand to any motorist in trouble at any time. Many a motorist piled up in a ditch, caught without gas or perhaps with just a tire to change has had reason to give thanks for that courtesy service.

Those who know Canada's new cost-cutter and his work speak of his most dominant characteristics as being his genuine interest in and thoughtfulness for employees, his fairness in dealings, his progressiveness and open-mindedness. Those, plus his inborn ability for getting along with people, were some of the reasons Hugh Mackenzie was chosen for his present job.

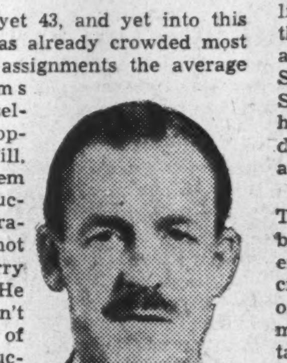
Back in 1921-22-23 Hugh Mackenzie was quarterback of the powerful Toronto Argonaut rugby squad. He is now calling the signals for a team that consists of thousands of businessmen in scrimmages from coast to coast. At the moment he is calling these men into a huddle with him so there won't be any crossings of signals. This job can't be carried out best simply by barking out of orders. Rather, co-operation and honest dealing among all concerned is the keynote of the whole scheme. Boss of such a job must be one who knows what he is after but realizes that there must be mutual give and take. Those who know him believe that Hugh A. Mackenzie is the man for that job.

* * *

Cripps' Assistant

Ever since knighthood ceased to flower few men have had the opportunity of doing exactly the work they had planned in their ambitious youth. But Graham Spry, just appointed personal assistant to, Sir Stafford Cripps, certainly seems an exception.

Spry is not yet 43, and yet into this short life he has already crowded most of the special assignments the average man dreams about, but seldom gets an opportunity to fill. Not all of them have been successful, but Graham Spry is not the type to worry about that. He probably didn't expect some of them to be successful in the first place. He is a crusader, willing to put everything in the way of hard work, enthusiasm and his own limited means into any job that he thinks should be attempted.



GRAHAM SPRY

A graduate of the University of Manitoba and a Rhodes scholar, he finished his academic education at Oxford. Then followed a spell on the London Daily Express, then back to his native Canada—he was born at St. Thomas, Ont.—where he had an important and lucrative job as secretary of the Canadian Clubs. Spry tossed this away when an opportunity came to buy the old Farmers' Sun, at one time the property of another Oxonian, Professor Goldwin Smith.

Into this former organ of the United Farmers of Ontario, he put everything he had saved. Through the Sun he hoped to convert the Ontario farmers to socialism or the C.C.F. It is doubtful whether he realized the size of the task he was attempting. In any case the Ontario farmer continued a capitalist, and his course one of rugged individualism; and the Sun, despite its brilliant articles on economics and the workers' side of every current strike, went out of business.

Next Spry concentrated on politics. Ever since the inception of the C.C.F. he had been an ardent member of that party. Disdaining any easy seat, he chose the Conservative stronghold of Toronto-Broadview. This had been sending Tommy Church to Ottawa regularly ever since Tommy had retired as "permanent" Toronto mayor. Spry was beaten in 1930 and again in 1935. Both times he came up with a grin and sincere congratulations to his opponent for a fair fight.

In between and after elections Spry edited the New Commonwealth, official organ of the C.C.F. Rather to his own surprise the venture proved so successful that in his own words it was able to pay union wages to all its staff with the exception of its overworked editor.

The war found Graham Spry in England in a big public relations job and later on, in radio. For some time Canadians heard him broadcast regularly from London interpreting the war. On the other side of the Atlantic his wife filled a research position with the Wartime Prices and Trade Board.

It was while a member of the Oxford Union at Oxford University that Spry came into close touch with Sir Stafford Cripps. Spry and a fellow-Canadian had just organized a C.C.F. club at the University. Sir Stafford was active in the British Labor movement and was interested in the viewpoint of these young Canadians and the C.C.F. in Canada. He became one of their advisers and one result of this association was that later on Mr. Spry organized two Dominion tours undertaken by Sir Stafford. Now Graham Spry, with headquarters at No. 11 Downing Street, becomes unpaid adviser and assistant to the most potent figure in British politics today outside Winston Churchill himself.

New C.N.E. Chief

A practical business man and an all round good citizen is the new president of the Canadian National Exhibition, which despite storms, war and other disturbances has continued Toronto's biggest outdoor event every fall since 1879. This week Vice-president J. A. Scythes was moved up to the top at the annual meeting of the directors.

Like so many of Toronto's most distinguished citizens Mr. Scythes was not born within the boundaries of the municipality. He hails from the small village of Thornton up in Simcoe County. Thornton is not a big or bustling place now, but back in the early days of the Hamilton-Allandale railroad the situation was much different.

J. A. SCYTHES

Then the village along with other points on the new line, boasted a thriving grist mill and general store, the property of Mr. Scythes' father. Ever since the elder Scythes had come out from Ireland, he had been interested in this sort of industry and established mills and stores at several points along the new railroad.

Later on the younger Scythes came to Toronto and in 1910 established his own business. Today this is nation-wide, employing over 400 people and specializing in commercial cotton waste, oiled clothing and treated canvas. Normally the company is chiefly employed taking the 17½% waste from the cotton mills and converting into useful material for stuffing upholstery, soft wiping cloths and processed material for further spinning. Its oiled clothing and waterproofed canvas go to the north country and for covers for big trucks. Just now, however, the company finds most of its demand absorbed by war orders.

Outside his business, J. A. Scythes has a great diversity of interests. First on the list is his family and that now covers quite a territory. Although only in his middle fifties he boasts seven grandchildren, just two more than his own grown-up family of three girls and two boys. Fair, stoutish and jovial, with the look of a man in his forties, this information always comes as a bit of a shock to casual friends.

Under such a bustling environment and with his Irish ancestry behind him, it is natural to find that Mr. Scythes is interested in all sort of youth movements and especially the Y. M. C. A. Though an active member of several clubs, in addition, he finds time for some golf and a little fishing.

* * *

Sayings of the Week

"The German plan is to destroy the soul of man."—*Jean Paul Harvey, editor of Le Jour, Montreal.*

* * *

"As far as war manufacture is concerned Canadian firms are operating without the existence of an international boundary."—*R. C. Berkinshaw, Priorities Officer for Canada.*

* * *

"The chance of a peace loving nation becoming involved in war is in inverse ratio to the strength of its armed forces."—*Dr. Harold Orr, in his address at the dinner of the Graduating Class in Medicine, University of Alberta, Edmonton.*

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Other People's Views . . . . .

The Canadian Editorial of the Week

Should Know Better

Montreal Gazette

"Send me a pound of butter, two quarts of milk, a loaf of bread and two dozen tins of peas. Better put in two dozen of tinned fruit, too."

Grocers are getting orders like that these days, getting them often. They're getting them from old customers, people who have never in their lives bought more than day-to-day requirements, people of impeccable respectability who consider themselves patriotic citizens.

They would be insulted if you called this "hoarding"—to them it's just being careful.

They'd also be insulted if you called them a peculiarly cowardly breed of fifth columnist.

* * *

As Others See Us

The Victory Loan

Brantford Expositor

The Victory Loan campaign is being prosecuted here and throughout the country with the utmost vigor and every means will be taken to bring to every household and every individual a personal sense of responsibility in the matter.

The alternative—assuming for the sake of argument that one became necessary—would be to nobody's liking. As The Financial Post tersely sums it up in its current issue: "If the Loan falls short of needs or expectations, it will raise immediately the question of some form of compulsory saving."

On the same subject, Finance Minister Ilsley recently said: "They (compulsory savings) are of secondary importance and cannot take the place of a vigorous application of the voluntary principle."

Canadians do not want to be "regimented" any more than necessary. Financial regimentation in the form of compulsory saving is not now necessary. It may never become necessary, but that depends entirely upon Mr. and Mrs. Canadian and even the junior Canadians.

* * *

The Plebiscite

St. Catharines Standard

The Financial Post calls for leadership. In that respect, what leadership is to be given the people when they vote on the plebiscite? Is the Prime Minister of the Dominion, for fear of his support in Quebec, to remain under the proverbial barn, or will he give the information to the people, necessary to form a sound judgment? It has been stated that the real war facts cannot be made public, but leadership from the government on the manpower issue can be given. Will those Cabinet Ministers who favor compulsion remain silent through the plebiscite, while it is certain Quebec antis will be articulate in every way, possibly to the extent of public disorder, as has already been witnessed?

If the people vote blind on the plebiscite, and there is that prospect, they are still more blind in not knowing or having any assurance what their vote will mean and what will follow the vote. There is no commitment made whatever by the Prime Minister. And this is one of the most deplorable phases of the whole business.

* * *

The Mail-box

Role of the Senate

Editor, The Financial Post.

Apropos of your recent question on the role of the Senate:

I think the Senate could be made more useful either by a change in its composition or by a change in its powers. At present the Senate lacks political importance since it does not represent provinces and is nominated by the Prime Minister purely on party lines. Its membership might be reformed along the lines of a suggestion in MacKay, "The Unreformed House of Senate." Failing a change of its composition, which of course would involve an amendment to the B. N. A. Act, the Senate might be given more powers of action.

At present it is obliged to wait for weeks for legislation from the House of Commons. I see no reason why some government measures should not first be introduced in the Senate and thus prevent the long delay between the adoption of the address from the Throne and the discussion of legislation passed by the lower house.

The Senate could also do a very useful job of investigation by special committees as is the case with the American Senate. Why, for example, could not the Senate have investigated Hong Kong problem in place of the Chief Justice of Canada?

Finally, the Senate would also be more useful if the public attitude toward it was more encouraging. At the present time almost one eighth of its membership is missing and yet there is no effective demand for the vacancies to be filled. That in itself is a reflection upon our own attitude toward what could be a very useful second chamber.

F. H. SOWARD,
Professor of History,
University of British Columbia,
Vancouver.

* * *

Seminaire Sold Boat

Editor, The Financial Post:

What a surprise for me when I read in your paper the paragraph (about an award of $10,000 for "shipbuilding" to the Séminaire de Québec).

That note is a bad insinuation and comes most untimely when some Canadians are trying to bring about a better understanding between the English and the French in this country.

There is no secrecy about the contract of $10,000 between the Department of Munitions and Supply and The Séminaire de Québec.

The corporation of Le Séminaire de Québec is the owner of Laval University, Quebec. When the biological station of Trois-Pistoles was established by the Quebec Seminary for the University, it was necessary to have a boat equipped for research in marine biology. The Seminary ordered the building of a special ship for that purpose in 1932.

On Aug. 23, 1941, the Minister of National Defense requisitioned it and bought it for $10,000, less than was asked for. The ship is now in active service.

There is the whole mystery.

ABBE ARTHUR MAHEUX.
Member of Le Séminaire de Québec.

Editor's Note: There was no insinuation in The Financial Post's editorial reference to "natural public curiosity" over a "shipbuilding" contract to what we referred to as "a splendid Quebec religious institution."

Thanks to Abbé Maheux (sometime contributor to The Financial Post) for satisfying that curiosity.

* * *

Stop Me If . . .

He had taken pains when he applied for work to assure the farmer that he never got tired. When his new employer went to the field where he had put the man at work, he found him lolling on his back under a tree.

"What does this mean?" asked the farmer. "I thought you were a man who never got tired?"

"I don't," said the hired man calmly, "This doesn't tire me."

Milkmen May Cut More Frills

Ontario Distributors Attack Costs to Meet Ceiling Prices

Further steps in efforts of Ontario milk distributors to keep costs in line with price ceilings are likely to follow the experiment in economy which began Feb. 1.

Effective the beginning of February, Ontario distributors have:

Cut cream deliveries to whipping (about 32% butter fat) and "cereal treat" (8 to 12%), eliminating other grades.

Cut cream containers to half-pint or larger for householders, quarts or larger for dealers and wholesale users.

Eliminated returns by stores of unsold goods.

Cut delivery to stores to one trip per day.

Reduced milk-bottle caps to one style, the "plug" cap which fits in the bottle top.

Ruled out introduction of any new package size or style, any new product.

These economies have been effected in co-operation with the Wartime Prices & Trade Board, the Ontario provincial milk board handling the complex technical job of translating the general policies of the Board into terms which will work in the many highly individualized milk markets of the province.

Other reductions in costs are being tried locally. A compulsory five-cent bottle deposit is being applied in some markets. Others, including Niagara Falls and Coburg, have cut out Sunday deliveries, a practice that has already proved satisfactory in Ottawa and Cornwall.

Strictly cash sales, eliminating the weekly payment method prevalent in many markets, are being tried in Sudbury, Peterborough and Coburg, with distributors in other centres likely to follow suit.

The Ontario Milk Distributors Association is now providing its members with information on the results of delivering milk every other day, tried with fair success in some United States cities in order to conserve rubber.

Allocation of distributing districts to individual firms, so that only one dairy will serve a particular area is under consideration, but is not regarded favorably by many distributors. Because such a plan would involve regimentation of consumers, who would be told from whom they had to buy their milk, it is regarded as a step which should be left to the last. Some distributors believe the saving would be small, point to the results of a survey in Windsor which indicated that the amount of time and mileage wasted by the present system is extremely small. To be fully effective, allocation of routes would require a change in the type of equipment now in use, a development impossible in wartime.

With prices already controlled by provincial milk boards, and usually only raised as an incentive to producers, not distributors, most distributors welcomed advent of the price and wage ceilings which promise to control their production costs. But in many cases, profit margins per unit sold had already been pared by rising costs, and improved earnings were only achieved by rapidly rising sales. Further volume gains are not regarded as probable, with the country reaching "full employment" and the position of some of the less profitable distributing organizations is reported to be precarious. Already effectively under a ceiling, imposition of the cost-of-living bonus on top of higher wages has been difficult to meet.

One of the most complex economic patterns in modern business, milk production and distribution has been subjected to unusual strains by wartime efforts to get the approximately one billion extra pounds of milk needed in 1942. Bonusing of milk going to cheese production for Britain has disturbed the flow to creameries, condenseries and distributors. Other bonuses have been necessary to compensate, with the result that practically all milk is now sold at substantially higher prices to the producer. But the piecemeal application of the bonuses has made prices uneven.

Effective Dec. 22, 1941, bonus of 30 cents a hundred pounds to milk going to dairies, 40 cents a hundred if going to condensaries was established. But the payment was only made if no price increase had been made since Aug. 1, 1941. In some markets prices had been held down past that date, were raised shortly after. Producers serving these markets do not qualify for the bonus, while the producer next door, shipping to another market may be getting the benefit of a price rise, effected before Aug. 1, together with the bonus.

Steps are being taken to reach a "parity" price structure for milk used for all the different end products, which will take into account the need for increased production but maintain better balance between the different uses.

The Week in Business

Pattern of a war-controlled economy is becoming increasingly evident in business figures for this country. There are continued gains in items having to do with industrial production for war, directly or indirectly. On the other hand we have strictly civilian items losing out.

Life insurance sales January this year showed record gains over a year ago. The increase of 52.1% climaxes a steady upward trend that has been going on for over a year now.

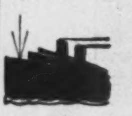
Department store sales hit a new peak in January. At 152.1, the index is 6.3 points above the year-end peak and almost 20 points above a year ago. To a large extent country store sales show the same trend, January being 20.5% above a year ago as compared with 14.4% for December.

Automobile financing is following the trend set by new car production. New car financing in January is down 25.1% and used car financing dropped 31.7%.

Railway carloadings for the week ended Feb. 21 are 16.6% above the same week a year ago. Gross and net earnings of the two Canadian railroads are showing somewhat better gains than are the carloadings figures. C. N. R. gross for the Feb. 21 week is up 24.8% and C. P. R. up 29.1%.

Iron and steel production in January was up again. Pig iron produced showed a gain of 41.3% and steel ingots and castings of 23.2%.

Construction contracts awarded in February were less than half that of the corresponding month of 1941. Cumulative total for the first two months of 1942 amounts to $23.9 millions compared with $51.3 millions.



Foreign trade figures for January this year show imports of $142.1 millions, up 44.4% from a year ago, and exports of $152.3 millions, up 71.2%.

MONTHLY INDICES

	Feb.	Jan.	Dec.	Nov.	Year Ago
The Financial Post business index	....	°166.0	166.6	164.8	160.1
National Income, D.B.S.•	....	....	456.4	442.3	418.9
Dom. war expend.•	....	145.2	124.4	120.0	87.7
Dom. total revenue•	....	120.5	111.5	108.4	80.2
Dom. total expend.•	....	184.6	168.0	170.3	124.9
Retail sales index no.	....	....	147.2	138.1	130.9
▪Dept. store sales index no.	....	152.1	145.8	137.6	123.5
Wholesale sales index no.	....	...	136.9	147.4	125.0
▪Country store (% change pr. yr.)	....	+20.5	+14.4	+5.5	+2.4
▪Divd. payment index♠	121.4	121.3	120.3	119.3	120.0
COST OF LIVING—					
D.B.S. index	115.4	115.8	116.3	115.5	108.3
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	168.8	167.6	165.8	139.1
Manufacturing	....	188.4	187.5	185.0	144.7
Payroll index (a) (1937=100)	....	193	186	189	....

	1941-42	1940-41	Jan. 1 to date 1941-42	Jan. 1 to date 1940-41	% Change
RAILWAYS—					
▪Carloadings (week Feb. 21)	60,849	54,168	481,562	413,709	+16.6
▪C.N.R. gross (week Feb. 21) $	5,982,000	4,945,000	44,499,000	35,661,000	+24.8
▪C.N.R. gross (week Feb. 21) $	4,349,000	3,235,000	31,964,000	24,747,000	+29.1
C.N.R. net revenue (Jan.) $	5,157,112	3,150,394	....	....	+63.7
▪C.P.R. net revenue (Jan.) $	3,184,062	2,665,761	....	....	+19.5
IRON AND STEEL—(January)—					
▪Pig iron production (tons)	163,156	115,455	......	......	+41.3
▪Steel ingots and castings prod. (tons)	257,069	208,659	......	......	+23.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Dec.)	3,875	8,775	83,650	101,789	—17.8
Factory output ... (Jan.)	4,249	11,990	....	....	—64.5
Trucks and Buses:					
Domestic sales .. (Dec.)	2,214	2,145	34,432	28,763	+19.7
Factory output ... (Jan.)	17,502	11,205	....	....	+56.2
Financing:					
▪Used .... (Jan.) $	1,675,898	2,452,366	....	....	—31.7
▪New .... (Jan.) $	1,623,444	2,168,043	....	....	—25.1
CONSTRUCTION—					
▪Contracts awarded . (Feb.) $	11,052,200	24,704,600	23,933,100	51,284,400	—53.3
Cement prod., bbls. (Nov.)	663,332	643,522	7,987,357	7,271,232	+9.8
AGRICULTURE—					
Flour prod., bbls. . (Dec.)	1,175,267	1,076,132	20,069,445	16,254,921	+23.5
Flour exp., bbls. ... (Jan.)	750,363	354,818	......	......	+111.7
Wheat exp., bush. .. (Jan.)	11,144,808	4,880,080	......	......	+128.3
Cattle sales▲ ...... (Jan.)	110,276	83,707	......	......	+31.7
Hog sales▲ .... (Jan.)	603,915	532,259	......	......	+13.4
SEA FISHERIES—‡					
Catch cwts.▲ .... (Nov.)	934,600	907,100	10,421,100	10,487,800	—0.6
Landed value ...... (Nov.) $	1,438,200	886,000	24,489,030	17,122,300	+43.0
NEWSPRINT—					
Production, tons .. (Jan.)	311,904	261,298	......	......	+19.4
Exports .... (Jan.)	12,665,000	9,763,000	....	....	+29.7
MINING AND OILS—					
Coal prod., tons ... (Dec.)	1,794,973	1,671,095	18,155,447	17,566,884	+3.3
Coal import, tons .. (Dec.)	1,833,483	842,407	21,808,861	17,546,107	+24.3
Gold rec., fine oz. .. (Jan.)	442,038	461,602	....	....	—4.2
Crude oil, imp. gals.† (Dec.)	126,319	77,430	1,635,580	1,484,537	+10.2
ELECTRIC POWER OUTPUT—(December)—					
Total monthly, 1,000 kw.h.'s	3,220,800	2,584,341	33,445,360	30,080,248	+11.2
FOREIGN TRADE—♦					
▪Imports .... (Jan.)	$142,126,584	98,382,462	......	......	+44.4
▪Exports .... (Jan.)	$152,307,437	88,952,659	......	......	+71.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .... (Jan.)	103,443	164,892	....	....	—37.3
Shoes, prod., pr. . . (Dec.)	2,736,108	2,044,725	32,646,736	26,261,088	+24.3
Cotton consump., lb. (Jan.)	16,833,456	15,679,582	....	....	+7.4
Raw rubber imp. lb. (Dec.)	6,486,397	16,321,954	149,172,052	113,773,959	+31.1
Cigarette cons., No.† (Jan.)	747,733	623,571	....	....	+19.9
Sugar manufactured .. lb §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† .... (Jan.) $	3,230,789	2,941,104	....	....	+9.8
Bond sales† .... (Dec.) $	92,473	329,809	2,360,181	2,293,415	+2.9
▪Life insurance sales (Jan.) $	43,081,000	28,326,000	....	....	+52.1

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ▪.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. °Final. ♠Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

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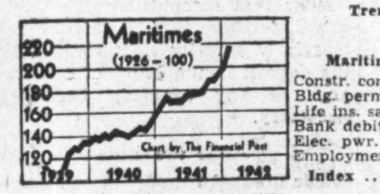
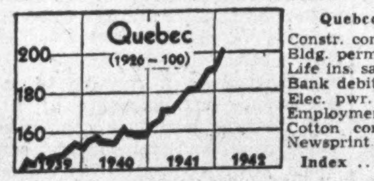
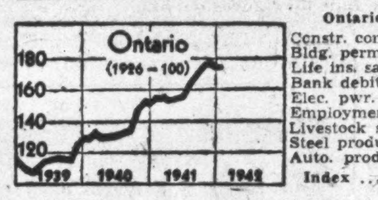
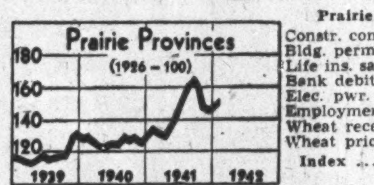
Ontario Only Economic Area to Show Decline

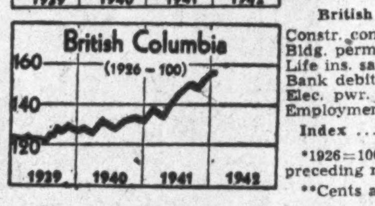
Four out of the five economic areas in Canada started this year with continued expansion. Ontario, for the second consecutive month, showed a minor recession. Maritime provinces and Quebec showed the highest gains over the closing month of 1941. Three areas, Maritimes, Quebec and British Columbia, established a new high level for all time. The Prairie provinces showed gains, but less spectacular than the other three sections. Each showed gains in industrial employment.











Trend of Business in Economic Areas

	Jan. 1942	% Change Jan. 1941	Dec. 1941
Maritimes:			
Constr. contr. ...... $	797,000	—50.5	2,794,000
Bldg. permits ...... $	112,000	—21.1	514,000
Life ins. sales ... $000	2,734	+27.4	3,507
Bank debits . $000,000	77.2	+6.0	80.0
Elec. pwr. . kw.h.000	95	+9.2	99
Employment*	188.1	+41.2	179.6
Index	218.8	+28.7	204.0
Quebec:			
Constr. contr. ...... $	5,482,000	+94.0	6,408,000
Bldg. permits ...... $	1,432,000	+29.0	2,381,000
Life ins. sales ... $000	11,631	+51.0	11,932
Bank debits . $000,000	940	+20.5	1,087
Elec. pwr. . kw.h.000	1,746	+29.2	1,736
Employment*	179.8	+20.1	177.1
Cotton consump., lb.	16,833,456	+7.4	16,150,612
Newsprint prod., tons	311,904	+19.4	300,823
Index	201.0	+22.0	191.9
Ontario:			
Constr. contr. ...... $	4,075,000	—104.5	5,640,000
Bldg. permits ...... $	3,764,000	+90.2	3,772,000
Life ins. sales ... $000	19,797	+57.1	21,167
Bank debits . $000,000	1,517	+3.7	1,682
Elec. pwr. . kw.h.000	909	+11.5	910
Employment*	174.0	+21.9	173.0
Livestock slaughter.*	248.9	+43.1	308.9
Steel produc. ... tons	257,069	+38.0	218,611
Auto. production, no.	21,751	—6.2	20,313
Index	175.1	+13.9	176.4
Prairie Provinces:			
Constr. contr. ...... $	1,510,000	+16.2	2,042,000
Bldg. permits ...... $	425,000	+128.5	737,000
Life ins. sales ... $000	5,791	+57.0	6,286
Bank debits . $000,000	500	+11.4	620
Elec. pwr. . kw.h.000	251	+25.5	251
Employment*	135.5	+14.1	136.1
Wheat receipts .. bu.	10,598,000	—48.8	25,914,000
Wheat prices**	77	+3.9	74/3
Index	152.2	12.1	149.4
British Columbia:			
Constr. contr. ...... $	1,018,000	+11.0	2,225,000
Bldg. permits ...... $	556,000	—44.6	913,000
Life ins. sales ... $000	2,707	+40.5	3,644
Bank debits . $000,000	196.5	+11.3	208.2
Elec. pwr. . kw.h.000	225	+23.6	225
Employment*	144.5	+16.9	149.4
Index	157.4	+16.5	157.0

*1926=100. Employment statistics refer to the preceding month.
**Cents and eighths of a cent per bushel.

Public Utility Earnings

East Kootenay Power

January	1942 $	1941 $
Gross earnings	66,566	49,243
Oper. expenses	36,941	20,362
Net earnings	29,625	28,881
10 Months Ended January	**1942 $**	**1941 $**
Gross earnings	595,694	509,846
Oper. expenses	220,925	177,747
Net earnings	374,769	332,099

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Income Tax Return . . .

Both the Income Tax Act and the form to be filled out are much more complicated than formerly. You can save yourself time and money by employing this Corporation to make out your income tax return in 1942. Fees are most reasonable; your inquiries are invited.

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RURAL QUIZ...

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"If so, how can I cover it effectively?"

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The second question is answered every week by the Family Herald and Weekly Star — the only farm magazine covering Canada's vast rural areas from coast to coast . . . A circulation representing more than 300,000 homes each week.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

On the Record

Food consumption is greater by 15% to 20%, than it was three years ago, according to J. G. Taggart, food administrator.

Louis Philippe Peltier appointed local WPTB representative for Granby, Que.,

M. C. Savage as local adviser and **Maurice V. Lefebvre** as investigator.

D. A. McCrimmon will be as advisor to the Brockville regional WPTB office on wholesale and retail grocery trades.

G. A. M. Ross, Bank of Toronto, appointed manager of the Toronto Administrative Branch offices of the WPTB.

No used tire may lawfully be sold for more than 75% of the value of a new tire, according to Samuel Godfrey, WPTB Administrator of Used Goods.

George J. Bryan, Edmonton barrister, named Rentals Administration Officer for Alberta.

John A. Barber, B. F. Goodrich Rubber Co. of Canada, named WPTB representative in charge of the sub-regional office in Kitchener.

Scrap Rubber Division to be set up by the government with an objective of 25,000 tons to be collected in 1942. (M & S. No. 718. Feb. 24, 1942).

H. J. Leitch, general sales manager, Algoma Steel Corp. appointed Assistant to the Director General of the Shipbuilding Branch, Dept. M. & S. (M. & S. No. 716 Feb. 24, 1942).

Metal ski poles, metal fishing rods and metal golf clubs will not be manufactured after Feb. 27 or sold by the manufacturer after April 29. (M & S. No. 724, Feb. 27, 1942).

H. Miller Skelton, sales manager of the Fence Division, Steel Co. of Canada, appointed Industrial Security Inspector. (M. & S. No. 723, Feb. 26, 1942).

E. M. Proctor, Canadian representative to the Bureau of Industrial Conservation in Washington, heads the Scrap Rubber Division. (M. & S. No. 721, Feb. 25, 1942).

90% of available steel in Canada is now being used directly for war purposes, according to the office of the Steel Controller.

65% of our tungsten supply was cut off when Japan opened hostilities in the Pacific, China being our main source of tungsten.

Electric power production was 33,445 million kw.h. in 1941 compared with 30,080 million in the preceding year, a gain of 11.2%.

W. D. Low, C.N.R. Purchasing Department, Montreal, named as executive assistant (Purchasing) to the Deputy Minister of Munitions and Supply, (M. & S. No. 726).

"Mystery" and "nowhere" bus tours have been eliminated to conserve rubber and gasoline and to make available more buses for essential transportation. (M. & S. No. 727).

Municipal Finances

Cornwall, Ont. In 1941 collected 84.8% of the current tax levy as compared with 83.3% in 1940. Total arrears were reduced during the year from $91,619 to $83,686. Total debenture debt at Dec. 31, 1941, stood at $923,245 compared with $942,186 a year ago. During 1941 new debentures amounting to $48,000 were issued.

• • •

Hull assessment litigation with the E. B. Eddy Co. would be settled by proposal whereby the company's assessment for 1941 and previous years would be fixed at $4.3 millions. The company would pay legal costs, according to the proposal.

ARE YOU THE BOTTLENECK
?

It takes thousands of plants and millions of individuals to forge the tools of victory. If one plant or individual fails to hold up his end, the flow of planes and tanks and ships and munitions falters. In this crisis, to falter may mean to go down in defeat. You will not want to be the bottleneck which holds back the tools of victory.

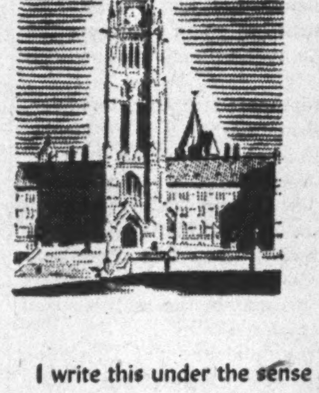
Our organization must be better than the enemy's. He says, "Co-operate or go to a Concentration Camp". Our system relies on voluntary co-operation.

So every single individual must be willing, eager, determined to give every last ounce of his effort. Every executive must see that his plant or department produces all that is humanly possible.

You must not let any thought of profits slow down your effort. Your only aim must be to provide the tools our fighting forces need.

This message is issued by the Department of Munitions and Supply for Canada

BRAVE MEN SHALL NOT DIE BECAUSE *I* FALTERED



AS I SEE IT...

BY *The Honourable Angus L. Macdonald*

MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICE

I write this under the sense and stress of severe reverses. Singapore has just fallen. German warships have negotiated the Dover passage from the south. Hong Kong is gone. So too is Manila. We know the worst of Pearl Harbour. In Libya the pendulum of success appears to swing unevenly from side to side. Though in Russia the heroic resistance of the armies defending Moscow has been followed by a tremendous Russian counter-offensive, still, the balance of success is against our cause. We have lost great bastions of empire. No great and permanent victory has fallen on our arms.

But we have seen heartening spectacles. At Dunkirk, 'the blessed fog' and 'the tread of her keels' saved England for a display of valour by the common people under the most terrible onslaught a civilian population has ever had to endure. The few to whom 'so many owed so much' convinced us that the skill and mettle of our men remains as one of our great assets.

And we have had help from outside. Mighty allies have joined our cause. Russia has brought her great armies and a people of deathless courage. America in her righteous wrath has summoned her men, her resources and her mighty arms potential. She will help us maintain our costly ocean highways. She will be with us when the time for offensive action is ripe.

In Canada behind the intangible ramparts of ocean we have not seen the conflict touch our soil. This means much to our productive powers, and that advantage we must press home—daily—hourly—on the farm, in the factory, at the desk.

This war can be won but it may be lost. To win it we must conscript time and use it with zeal, with vigour and with efficiency. We must make more and greater sacrifices than have yet been made. We must reload our instruments of production of vital requirements, for the issue is survival. To the cause every allied country, large and small, must bring a rationalized total effort if we are to achieve total victory and if we are to direct the establishment of total peace.

We fight for the right to live our lives in freedom— not the freedom which we knew, but an even better freedom, where, in President Roosevelt's words, "the weak will be safe and the strong will be just."

We must realize that the effort to establish total peace will present obstacles as great as the effort to achieve total victory. The peace formula which our enemies would impose is simpler, and if they should prevail, easier of application. If we should be willing to follow the line of least resistance we should accept it. If, on the other hand, we hope for a world for ourselves and for our children, founded upon justice and enlivened by a permeating charity we must press on with the struggle, with boundless faith and unflinching resolution. As I see it we have but one choice. We have made the choice; we shall stand by it to the victorious end.

MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICE

★ This article is the fifth of a series, by Canadian legislators, on matters of vital World and National interest. This series will be published in newspapers across Canada; the next to appear on March 21st, followed by others on alternate weeks thereafter.

This space is donated to Canada's United War Effort by the Hull Steel Foundries Limited

Life Insurance Sales Rise 52%

Sales of new ordinary life insurance in Canada and Newfoundland continue to move upward. The total for January at $43 millions was 52% higher than in the same month of 1941. Increases were shown in all provinces as well as Newfoundland. The largest gain was 66% in Alberta followed by Newfoundland with 62.5% and Ontario with 57. Quebec's gain was 51%.

Figures are issued by the Life Insurance Sales Research Bureau and are based on reports of 18 companies representing 85% of new ordinary life insurance in Canada, exclusive of group, industrial, pensions, etc.

Life Insurance Sales in Canada and Newfoundland
(000's of $)

	January 1942	January 1941	Change %
Alberta	2,036	1,225	+66.1
British Columbia	2,707	1,927	+40.4
Manitoba	2,478	1,641	+51.0
New Brunswick	980	776	+26.2
Nova Scotia	1,553	1,237	+25.5
Ontario	19,797	12,603	+57.1
Prince Ed. Island	201	133	+51.1
Quebec	11,631	7,702	+51.0
Saskatchewan	1,277	823	+55.1
Newfoundland	421	259	+62.5
	43,081	28,326	+52.1

Sales by Months, 1939-1942
(000's of $)

	1939	1940	1941	1942
Jan.	28,767	33,726	28,326	43,081
Feb.	29,202	31,820	31,500	.....
Mar.	31,710	30,265	33,700	.....
Apr.	26,357	32,248	35,398	.....
May	30,123	31,779	36,172	.....
June	32,226	28,530	33,670	.....
July	20,902	28,159	32,681	.....
Aug.	26,494	24,698	29,597	.....
Sept.	34,262	26,156	33,975	.....
Oct.	31,900	31,210	41,740	.....
Nov.	33,034	32,899	44,984	.....
Dec.	34,759	33,721	47,172	.....
Total	368,726	365,217	428,915	.....

Insurance Problems

Dominion Life

I have a policy with the Dominion Life Assurance Co. of Waterloo. I understand the shares of this company have dropped in value on the security markets lately. Also that the stock is now 70% paid up where formerly it was 60% paid. Does this mean the company had to make a call on shareholders?

The Dominion Life Assurance Co. was organized over 50 years ago and is well established. In 1941 it showed substantial increases in both insurance in force and new insurance. The company has had no need of making a call on shareholders. The reason the shares are now 70% paid is that in 1939 a bonus was paid of $10 a share on the paid-up value of the stock. Shares are not listed on the stock exchange, so all quotations are unofficial and liable to wide variation. It is understood a bid was recently made for shares at $175 with some stock offered a few weeks ago at $225. If the price is lower now than a year ago, it would appear to be in keeping with the general trend in shares of life insurance and trust and loan companies.

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Imperial Bldg., Hamilton, Ontario
WESTERN CANADIAN DEPARTMENT
Randall Bldg., Vancouver, B.C.

How Can I Meet the New Double Death Duties?

For many years succession duties have been levied by the Canadian provinces on all sizeable estates. When the Dominion Government recently entered the field, the burden of death duties was greatly increased. Failure to plan how the new conditions are to be met will likely involve serious trouble for heirs and businesses involved and cause estate charges to exceed legal requirements.

The Financial Post herewith presents the first of a series of articles discussing the various problems that may arise and the best ways of meeting them. The writer, W. E. N. Bell, is a graduate of Osgoode Hall Law School and is associated with the Manufacturers Life Insurance Co. Since 1937, he has specialized in tax matters and problems affecting estates. Mr. Bell is a graduate of the University of Toronto; was a member of the Varsity rugby team, and captained the Canadian cricket team sponsored by Hon. R. C. Matthews that visited England in 1936.

By W. E. N. BELL
Taxation and Insurance Consultant

In these changing times many problems and difficulties confront a man who has already accumulated, or is trying to accumulate what he may consider his fair portion of this world's goods. The fact that many of these difficulties are present in spite of what he is endeavoring to accomplish rather than because of his efforts, makes their solution no easier.

War, the possibility of inflation, government regulation of business, the threat to the democratic institutions and liberties under which so much of this world's wealth has been created, and finally, heavily increased taxation, make it hard to consider any single subject as an entity in itself without relating it to the wider problems affecting the very basis of our manner of living. Since taxation has been a direct result of the chaos which surrounds him, a person is well advised to consider the application of this problem to his own affairs, so that, if he must suffer as a result, it will be the tax and not ignorance of its incidence which will cause him to suffer.

Apply at Death

Income taxes must be considered each year and because of this, most persons have some general knowledge of these taxes. There is only one time, however, when succession duties are directly applied against each of us, that is at death. Accordingly to postpone consideration of this subject to that time, is to fail to consider it at all. Our executors in such an event must try to find a solution to the unnecessarily complicated problems which are passed on to them.

The Dominion Government has been forced, in its search for additional revenue, to enter the succession duty field of taxation and as a result, the right of each man to dispose of that which is his as he sees fit, has been subjected to a further limitation.

No Inequity in Dominion Tax

Succession duties have become generally accepted as a proper medium to be used by governments in obtaining revenue to help defray the expenditures they must make. No inequity results from the simple fact that there is now a Dominion as well as a Provincial succession duty to be considered. The tax is applicable to all persons coming within its scope and no individual finds himself, due to the Dominion Act, in any less fortunate position than his neighbor.

The Dominion tax is, as it were, added to the Provincial tax and no allowance is made permitting the deduction of one tax from the estate before the other tax is applied. A comparable situation is found in considering national defense and income taxes. A national defense tax of 5% (married person) is levied against total income. An income tax is then levied on net income without any deduction permitted for the national defense tax already paid. The national defense tax simply increases the income tax rate by 5%. The one tax is merely in addition to the other.

Two Taxes Payable

Similarly with succession duties, an estate of $48,000 left outright to the widow of the deceased, now has to pay an Ontario tax of $1,313.76 and in addition, a Dominion tax of $1,120, both taxes being levied on the full $48,000.

There are two methods which taxing authorities use in collecting taxes at the time of a person's death. The first method is by levying a tax against the estate itself, the rate of tax usually being governed by the size of the estate. This is known as an "Estate Tax" and is the method used by the Federal Government in the United States.

The second method used is to tax the actual inheritance of the beneficiary himself, and is known as an "Inheritance or Succession Duty Tax." The Succession Acts of the Dominion and of the various provinces are generally of the latter type. In arriving at the rate to be levied against any inheritance however, consideration is given first to the size of the estate. The rate of tax applicable to an estate of that particular size is determined. Consideration is then given to the size of the inheritance and if it is greater than a prescribed amount an additional rate is usually added.

An Estate of $150,000

For example, the rate of tax for a man with an estate of $150,000 who died in Ontario and left his estate so that his widow's interest would be valued at $110,000 and a dependent child's interest at $40,000 would be calculated as follows:

Dominion Tax	
Rate based on size of estate	3.45%
Rate based on inheritance of widow ($110,000—$20,000) exemption	4.5%
	7.95%
Tax	$7,155.00
Rate based on size of estate	3.45%
Rate based on inheritance of child ($40,000—$5,000 exemption)	2.9%
	6.35%
Tax	$ 2,222.50
Total	$ 9,377.50
Ontario Tax	
Rate based on size of estate	5.5%
Rate based on inheritance of widow	2.6%
	8.1%
Tax 8.1% x $110,000	$ 8,910.00
Surtax, 15% of $8,910	1,336.50
Total	$10,246.50
Rate based on size of estate	5.5%
Rate based on inheritance of child	.0
(No additional rate is levied because inheritance of child is less than $50,000)	5.5%
Tax 5.5% x $40,000	$ 2,200.00
Surtax 15% of $2,200	330.00
	2,530.00
Total	$12,776.50
Total Dominion and Ontario Taxes	$22,154.00

Unfair Double Taxation

No inequity results simply from a succession duty being levied by the Dominion as well as by the provinces because all persons are treated alike. The question is not one of fairness or unfairness, but just a matter of how far it is feasible to go in depleting the capital of an estate at the time of the owner's death.

There is an unfortunate situation, however, arising out of the manner used in determining the liability for taxation which does result in double taxation of a very unfair nature. Double taxation is unfair when it singles out certain individuals or groups of individuals and makes them and them only liable for such a double tax. Double taxation of this nature is present in the method used in collecting succession duties.

Under most Provincial and the Dominion Succession Duty Acts, a person's entire estate, with the exception of real estate situate outside the taxing jurisdiction, is deemed liable to succession duties by the taxing jurisdiction in which the deceased is domiciled. The various provincial acts also provide that if an asset is situated in the province, that asset will be liable to tax in such province irrespective of where the deceased was domiciled. In addition, The United States Federal tax legislation seems to provide that the estate of a citizen of that country irrespective of where the citizen is domiciled at the time of his death, or where his assets are situate, is liable to estate tax in the United States.

A Possible Case

In theory, therefore, this seemingly absurd case might arise: A citizen of the United States domiciled in Ontario with an estate of $1,000,000 might die with all his assets situated in Quebec.

The estate would be liable to an estate tax in the United States of $311,000. If left outright to a widow it would be liable to:

be liable to:

An Ontario tax of	$207,000
A Dominion tax of	189,630
A Quebec tax (approximate) of	230,000
	$937,630

The liability for taxes in the United States and Ontario, of course, could not be enforced because there would be no assets available in these taxing jurisdictions, from which the tax could be collected. It is, however, from a modification of this most inequitable situation that double taxation at its worst arises.

A Probable Case

To take a more practical example: A person dies in Ontario leaving his estate outright to his widow. His estate is composed of:

Assets in Ontario		$ 80,000
Stocks in Quebec companies	50,000	
Insurance taken while Quebec resident	20,000	
		$ 70,000
Real estate in Alberta		20,000
Stocks in B. C. companies		10,000
Mortgages on Saskatchewan real estate		10,000
		$190,000
A return would have to be made by the deceased's executor and a tax paid to the Dominion based on estate of	190,000	
Tax		18,955
A return would have to be made to Ontario and tax paid on estate of	170,000	
Tax		17,516
A return would have to be made to Quebec, and a tax might have to be paid on an estate of	70,000	
Tax (approximate)		6,020

(If no return had to be made to Quebec in order to obtain releases permitting transfer of common stock a tax might not have to be paid in Quebec on the Life Insurance. However, since disclosure of all assets in Quebec might have to be made by the executor to obtain releases permitting the transfer of the common stock, these stocks might be tied up until the estate paid duty on the insurance.)

A return would have to be made to Alberta and a tax paid on Alberta real estate	20,000	
Tax (approximate)		1,632
A return would have to be made to Saskatchewan if the mortgages on Saskatchewan real estate were registered there	10,000	
Tax		605
A return would have to be made to British Columbia and tax paid there on the common stocks situate there	10,000	
Tax (approximate)		662
		$45,390

The rate of taxes in each of these cases is the rate based on an estate of $190,000 and not on the size of the estate liable to taxation. It is indeed, a luxury for a Canadian to own assets in any province other than the one in which he is domiciled.

In the example considered, succession duties would be reduced by some $8,000 if all assets had been located in Ontario. The cost to the estate of the deceased in such a case arises not only from the double tax which has to be paid, but also from the administrative detail and cost of filing the returns required by the Succession Duty departments of these various jurisdictions.

In entering the Succession Duty field it is possible the Dominion Government will give leadership in an endeavor to find a solution to this problem. Certain provincial legislatures believe it is not in the interests of all Canada that an increasing proportion of total tax revenue should be taken by the Dominion from the provinces, to be disbursed as the Dominion sees fit. But even those who agree with this can hardly object to a consolidation through the Dominion tax gathering machinery, of the actual collection of succession duties and the disbursement of a proper portion to the provinces on some pre-arranged plan. If this initial step is taken in the interests of economy, it is not too much to hope, that with the Dominion as the sole collecting agency an equitable method will be found to work out the relative claims of "location of assets" and "domicile of deceased" as the sole basis for levying this tax.

Note: The next article in this series will appear a fortnight hence.

Meeting One Type of War Risk

Company Deposits Protect Canadian Policyholders

What is the position of Canadian policyholders in non-Canadian insurance companies in wartime?

Interest in the question was active at the time France fell and Britain was threatened with invasion. It has recently been revived by the spread of the war to the Far East where a number of strong companies that do business in Canada have head offices.

Answer was made about a year ago by G. D. Finlayson, superintendent of insurance for Canada. At that time he stated any uneasiness on this score indicated a lack of understanding of the measures taken by the Dominion government to ensure the security of policyholders in British or foreign companies.

Proportion of Canadian Companies

The importance of the question is indicated by the fact that out of about 280 fire insurance companies licensed by the Dominion Department of Insurance, only 56 are Canadian. The bulk of the non-Canadian companies have their head offices in other British countries or the United States. But some have their head offices in Switzerland, Sweden and France. The Tokio Marine & Fire Insurance Co. also operated in Canada up till a year or so ago. Its business was reinsured in other companies long before Japan actually started hostilities, it is understood.

Dominion Requirements

Mr. Finlayson in an official statement pointed out that the Dominion laws required all non-Canadian companies to maintain assets on deposit with the Receiver-General sufficient to cover at least their liabilities to policyholders in Canada including the full unearned premium reserve on the business in force. Said Mr. Finlayson:

"With the exception of certain companies with head offices in the United States, operating on a premium deposit plan, these deposits are held exclusively for the protection of Canadian policyholders and available in the event of need for the reinsurance of the Canadian business of these companies with other companies not under that compulsion." He indicated further that a substantial margin of security was provided by the deposit in the event of reinsurance of any company becoming necessary.

After the Blitz

The gradual transfer of one European country after another from the category of neutral to that of enemy nationality, he added, had made necessary a revision of the reinsurance arrangements of fire and casualty insurance companies. Those that had reinsurance contracts with companies in enemy countries had to replace those companies with others in Canadian, British or friendly neutral countries. In the case of some of the French companies after the fall of France, new Canadian companies were formed to take over their business. In others, the Canadian branch is carrying on practically as a separate Canadian company. In any case the arrangements made by the Dominion government, it is understood, protected policyholders amply against loss.

These deposits of all non-Canadian companies with the Dominion government are held to be the main safeguard of Canadian policyholders irrespective of what the total assets of the company outside Canada may be. The assets forming these deposits with the exception of the companies noted by Mr. Finlayson are ear-marked for the protection of Canadian policyholders. They cannot be removed from the custody of the Receiver-General without government authority and it is part of the work of the superintendent of insurance to see that they are kept at a level considered ample to cover all liabilities. Non-Canadian companies, it is pointed out, are under the supervision of the insurance department, as far as their Canadian operations are concerned.

Enquiries have been received by The Financial Post regarding the position of companies such as the Union Insurance Society of Canton which until a year or so ago had its head office in Hong Kong. The head office of the Union of Canton and its subsidiaries was moved over a year ago from Hong Kong to Sydney, Australia along with the assets of the group located at Hong Kong. Apart from this these companies maintain deposits with the Receiver-General estimated well above the legal requirements.

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Insurance Company Reports

North Star Reinsurance

Features of the annual report of the North Star Reinsurance Corp. are:

Total admitted assets amounting to $5.4 millions.

Cash and bonds amounting to over 66% of total admitted assets.

An increase of $52,437 in reserve for claims and claim expenses.

Total assets showed an increase of $644,937 over the 1940 figures. Cash and bond investments amounted to $3.6 millions exceeding total liabilities, exclusive of capital and surplus by $3.3 millions.

Total surplus at $1.5 millions was $460,602 higher.

	1941 $	1940 $
Total assets	5,494,610	4,849,673
Claims reserve	392,870	340,433
Prem. reserve	2,949,220	2,807,349

General Reinsurance

Highlights of the General Reinsurance Corp. of New York are:

An increase of $819,095 in total admitted assets.

Reserves for claims and expenses of over $7 millions.

Expansion of $370,825 in unearned premium reserves.

Total admitted assets at Dec. 31 were $18.1 millions compared with $17.2 millions the year before. Bond investments and cash totalled $11.7 millions, compared with total liabilities, excluding capital, surplus and voluntary reserves, amounting to $10.7 millions. Cash and bonds amounted to more than 65% of total admitted assets. Reserves for claims and claim expenses at $7.1 millions were up $60,987 from the year before. Unearned premium reserve totalled $2.5 millions. Surplus at the end of the year was $6 millions and in addition voluntary reserve $405,758.

	1941 $	1940 $
Total assets	18,111,705	17,292,610
Claims reserve	7,170,219	7,109,232
Prem. reserve	2,518,631	2,147,806

Canadian Indemnity

Highlights of the annual report of the Canadian Indemnity Co. for 1941 are:

An increase of $187,726 in total assets.

Policyholders' surplus up $69,519.

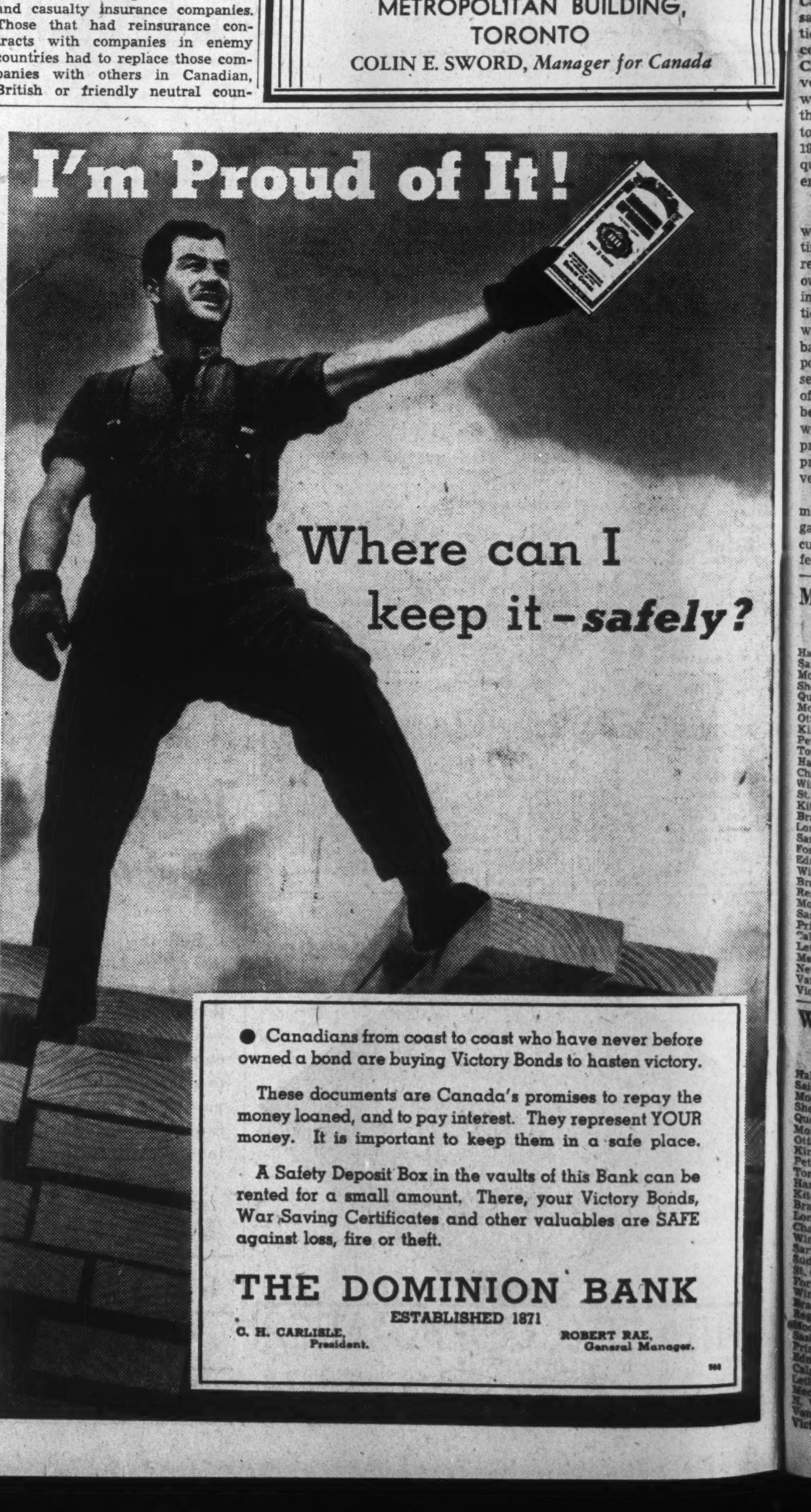
Net premium income up 8.2%.

The report shows increases in all important items. Total assets amounted to $2.3 millions, bonds, debentures and stocks being shown at $1.7 millions compared with $1.5 millions the year before. Market value in each case was somewhat higher. Policyholders surplus was $699,033 and net premium income $1.2 millions.

Losses took a smaller proportion of earned premium than in the previous year, the percentage being 36.1 compared with 40.16. Expenses were a shade heavier, the ratio to premiums written being 46.8% compared with 46.75% last year. Government license fees and taxes took 10.2% of net premiums written against 7.7% last year.

	1941 $	1940 $
Net prems. writ.	1,244,309	1,149,451
Losses & adjust. pd.	277,452	291,162
Res. for losses	152,418	155,017
General exp.	549,487	511,337
Taxes, etc.	47,808	45,369
Assets	2,364,403	2,176,678
Cash	210,613	177,457
Securities	1,732,558	1,592,103
Prem. res.	753,625	697,875
Surplus	699,033	629,313

Hon. Alphonse Raymond has been elected a director of National Breweries Ltd. Mr. Raymond is president of Alphonse Raymond Ltée. and Providence Assurance Co.; chairman of the board of Catelli Food Products, vice-president of Montreal Refrigerating & Storage Ltd. and director of a number of other corporations.


I'm Proud of It!
Where can I keep it—safely?

● Canadians from coast to coast who have never before owned a bond are buying Victory Bonds to hasten victory.
These documents are Canada's promises to repay the money loaned, and to pay interest. They represent YOUR money. It is important to keep them in a safe place.
A Safety Deposit Box in the vaults of this Bank can be rented for a small amount. There, your Victory Bonds, War Saving Certificates and other valuables are SAFE against loss, fire or theft.
THE DOMINION BANK
ESTABLISHED 1871
C. H. CARLISLE, President.
ROBERT RAE, General Manager.

Banks Lend to Boost Victory Loan

Help Individuals and Institutions to Buy Bonds Out of Regular Savings

Canadian chartered banks are experiencing a substantial increase in borrowing by their customers due to the Victory Loan campaign.

Bankers interviewed by The Financial Post stated that while only partial returns had been received to date, it was certain the total amount of this borrowing would run into large figures. Many people and institutions such as the insurance companies are buying victory bonds on the strength of their future income and are financing their purchases through the banks. While the government allows buying on installment payments, in some cases the dates and terms of payments are not suitable for would-be investors. Sometimes they want to spread payments over a longer term. They can do this through the banks.

In the case of the insurance companies, it is understood many of them want to put a large part of their income into the loan. But much of their income comes in from premiums over the next 10 months. Interest payments from mortgages and existing investments also are spread over the rest of the year.

Meanwhile they have to meet their current expenses out of current revenue. Accordingly when wanting to buy large blocks of bonds they borrow from the banks and arrange to pay off their loans as their premium and interest income is received.

Some of these loans are for six or eight months. In a few cases they may be for longer. Loans to investors made for the period allowed by the government are at the coupon interest rate. If for longer terms, it is understood a minimum rate of 4% per annum is charged.

The net result is a larger demand for bank credit than would otherwise have been experienced. The gain in loans made on account of the Victory Loan however will be offset to some extent by declines in other quarters. Accordingly the month-end figures in the monthly bank statements only partially reflect the effect of the demand. Some idea of the general effect may be had from the month-end figures of bank loans when previous war bond issues were made.

First War Loan

The first war loan was floated in Jan., 1940, and paid for in February. Current loans of the banks in the latter month rose $26 millions to $982 millions. They rose $2 millions more in March and then fell gradually, until July. How much of the gain or succeeding decline was due to war loan borrowing and loan repayments solely cannot be gauged from the figures.

The second war loan was floated in Sept., 1941, and paid for in October. On that occasion current loans increased $41 millions. But as October usually sees a demand for bank credit, owing to the crop movement, part of the increase might have been due to wheat loans.

In the third loan, the first Victory Loan which came out in June, 1941, the effect of the borrowing by investors was more noticeable. Current loans in June, 1941 increased $159 millions to $1,191. This gain was attributed in banking circles as mainly due to the borrowing to buy the first Victory Loan. There appeared to be no other unusual development at that time to affect the loan total.

In each case, when war and victory loans were floated, the effect was reflected by a decline in savings deposits as well as an increase in current loans.

On the present occasion the March bank statement will reflect the borrowing by investors. But the month-end total will probably also be affected by a decline in wheat loans as it is understood these are being reduced as wheat is shipped abroad or goes into consumption.

Bankers welcome the better demand for credit due to the Victory Loan, as it tends to offset the effect of smaller loans in other quarters. These investors' loans will be paid off over the coming months but meanwhile they take up some of the slack.

The situation in regard to demand from business for bank credit in wartime was reviewed by some of the bank executives at the annual meetings of their institutions.

Factors having a bearing on the situation it was noted were:

A large volume of idle money in the hands of various organizations and individuals throughout the country at the outbreak of war has since been set to work.

Employment of money for non-essential and speculative purposes has declined.

Many pre-war borrowers have repaid their loans.

Construction for war purposes, carried on at a high level in the first two years is likely to decline with a reduction in loans for this purpose.

Policy of the government in financing to a large extent production of war supplies.

Accordingly it is believed in some cases that demand from business for bank loans for ordinary purposes may show a slight decline in coming months.

Mortgage Repayments Exceed New Loans

Dominion Mortgage Reports Greater Liquidity of Assets as Result of 1941 Improvements in Employment and Income

Quickening of industrial activity, disappearance of unemployment, higher wage levels and general improvement in business conditions have combined to further benefit the condition of mortgages on urban property, states the annual report of the Dominion Mortgage & Investments Association. Payments of principal and interest are better than for some years. In fact, repayments of principal last year exceeded the amount put out on new urban mortgages. Another favorable factor has been the improvement in the market for urban real estate.

A number of reasons account for the smaller amount loaned by the Association's member companies in 1941 on new urban mortgages. An increasing amount of investment funds is being allocated for subscription to government war loans while it has also been necessary to maintain a higher degree of liquidity. Limitations on new construction have substantially narrowed the field for investment.

Outlook for the current year is for a further curtailment of mortgage lending due to additional limitations on new construction and the increasing difficulty in getting labor and materials.

Western Investments

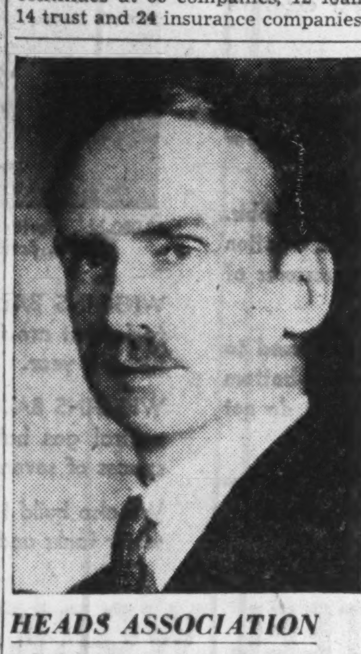
Position of investment in western Canada farm mortgages remains unsatisfactory, partially due to legislation in the prairie provinces which continues to hamper collections. Collections on farm mortgage investments during 1941 were on a par with those for 1940. Collections in the early part of 1942 are not likely to equal those of the early part of 1941 when there was a much larger quantity of wheat still to be delivered.

Shift in Agriculture

A major shift is taking place in western agriculture at the present time and it is possible that it will result in a more stable and prosperous economy in the prairie provinces, the report notes. Less attention is being given to wheat and the west is gradually securing a more balanced production. However, the position of the wheat farmer remains serious and there are some sections of the prairies where little else can be grown. The difficulties of the wheat farmer are not only a war problem. A long-range agricultural programme for western Canada is a very definite need.

The report goes on that far too many people in western Canada regard debt as the cause of their difficulties, whereas it is merely one effect of the general situation. Mortgage debts did not become burdensome until western farm income dropped drastically. The solution is the re-establishment of a stable and prosperous farming industry.

Membership of the Association continues at 50 companies, 12 loan, 14 trust and 24 insurance companies.



HEADS ASSOCIATION

J. M. Macdonnell, president and general manager of the National Trust Co., has been elected president of the Dominion Mortgage & Investments Association.

Gas Shortage Brings Cuts

Union Gas Removing Heating Equipment in Favor of Coal

Direct result of the natural gas shortage which recently forced a brief shut-down of war industries in the Windsor area is an order by H. J. Symington, K.C., Power Controller, to the Union Gas Co. of Canada to remove gas-heating equipment from all commercial establishments where coal can be used.

If any customer refuses to allow the company to remove the equipment his supply of gas will be cut off immediately.

On days when the temperature or wind threatens to reduce the flow of gas to war industries, the supply to civilian industries must be cut off. War industries will be given priority in all instances.

Installation of all cooking or heating or other equipment which would draw gas from any of the natural gas companies in southwestern Ontario is prohibited except by permit. This covers old and replacement equipment as well as new. When a consumer transfers his own equipment from one house to another a permit must also be obtained.

Paramount Pictures common shares are being admitted to unlisted trading privileges by the Detroit stock exchange. This stock is already listed on the New York stock exchange and granted unlisted trading privileges at Boston, Philadelphia, Chicago, Pittsburgh, Los Angeles and San Francisco Stock Exchanges.

Monthly Bank Clearings

	February 1941	February 1942
	$	$
Halifax	12,017,608	14,048,077
Saint John	8,829,716	8,933,620
Moncton	3,177,968	4,272,566
Sherbrooke	2,995,410	3,664,703
Quebec	18,731,908	19,505,483
Montreal	388,951,665	419,011,851
Ottawa	197,967,215	232,022,287
Kingston	2,420,187	2,524,985
Peterborough	2,247,126	3,036,451
Toronto	470,723,528	474,157,272
Hamilton	25,420,075	28,171,570
Chatham	2,413,690	2,660,211
Windsor	13,374,192	15,405,163
St. Catharines	....	4,964,332
Kitchener	4,100,619	4,891,666
Brantford	3,579,320	3,991,170
London	10,106,528	10,200,712
Sarnia	1,642,218	1,708,022
Fort William	3,587,497	4,135,468
Edmonton	16,627,452	21,845,308
Winnipeg	125,492,835	148,138,862
Brandon	1,189,658	1,650,806
Regina	13,094,368	14,338,014
Moose Jaw	2,267,541	2,533,844
Saskatoon	4,996,810	5,816,730
Prince Albert	1,338,627	1,847,774
Calgary	22,408,089	25,039,061
Lethbridge	1,949,128	2,389,174
Medicine Hat	953,536	1,254,748
New Westminster	2,902,289	3,361,704
Vancouver	69,482,792	78,266,671
Victoria	6,884,318	7,486,716

Weekly Bank Clearings

	Feb. 26 1942	Change Year Ago	Feb. 19 1942
	$	%	$
Halifax	3,308,455	+12.5	3,400,697
Saint John	2,411,321	+8.0	2,241,308
Moncton	1,061,,771	+29.3	997,680
Sherbrooke	958,213	+60.1	754,811
Quebec	4,869,915	+32.7	4,004,045
Montreal	103,423,750	+4.0	110,325,942
Ottawa	58,353,702	+6.6	44,423,029
Kingston	695,874	+27.1	683,731
Peterborough	733,621	+61.4	812,422
Toronto	115,151,182	+8.3	120,103,068
Hamilton	6,468,653	+4.4	7,681,594
Kitchener	1,091,364	+9.7	1,328,649
Brantford	957,527	+13.4	1,008,653
London	2,356,277	+13.1	2,391,932
Chatham	587,036	+4.1	683,173
Windsor	4,041,259	+5.4	3,967,046
Sarnia	343,486	—6.6	423,959
Sudbury	1,140,538	+5.5	839,434
St. Catharines	1,166,768	....	1,223,979
Fort William	1,015,103	+41.1	987,411
Winnipeg	34,445,866	+19.7	34,265,759
Brandon	351,020	+36.5	404,525
Regina	3,053,753	+11.9	3,154,614
Moose Jaw	542,604	+10.5	660,439
Saskatoon	1,319,501	+26.5	1,420,879
Prince Albert	418,299	+57.6	455,331
Edmonton	5,174,103	+70.5	5,361,534
Calgary	6,479,136	+22.6	6,004,347
Lethbridge	524,193	+22.0	575,273
Medicine Hat	305,211	+42.8	292,559
N. W'minster	936,341	+18.7	786,967
Vancouver	20,402,848	+13.4	15,349,747
Victoria	1,813,944	+12.5	1,965,569

Company Reports

Gypsum, Lime

In the year ended Nov. 30, 1941, Gypsum, Lime & Alabastine, Canada, Ltd., earned net profits equivalent to 53 cents a share on its common compared with 47 cents the preceding year.

In addition to demands from private sources, construction of buildings for strictly war purposes and erection of wartime houses provided the company with increased volume of business. For the current year it is stated the company faces increasing problems due to government regulations and restrictions, labor shortages and uncertainties as to materials, supplies and equipment. The company's policies are being directed toward building up as strong a physical and financial position to care for postwar problems.

Last year $117,640 was spent on plant, chiefly replacing buildings and equipment destroyed by fire at Paris, additional kiln and gas producer at Beachville and warehouse extension at Caledonia.

The company purchased $330,500 of its own bonds last year, including $13,000 of Standard Lime bonds for sinking fund purposes. The company holds $935,500 of its own bonds. Sinking fund payments of $121,092 annually for the years 1933 to 1941 have not been made.

It is stated that "in view of the negotiations between the Dominion and the provincial governments the liability for provincial taxes on 1941 revenue amounting to approximately $30,000 has not been included" in the tax provision for 1941.

Consol. Income and Surplus Account Years Ended Nov. 30

	1941	1940
	$	$
Manufacturing profit.	1,726,1,66	1,359,266
Less: Selling, admin., sundry	494,522	456,583
Executive & legal..	30,031	25,454
Directors' remun. ..	11,250	9,667
Add: Invest. income..	545	638
Net earnings	1,190,908	868,200
Less: Deprec. & depl.	303,736	286,093
Debt interest:		
Gypsum, Lime	157,751	170,791
Standard Lime	26,652	27,302
Income & E. P. tax.	325,000	159,526
Contingencies	125,000	......
Inventory prov.	19,451	16,446
Net profit	233,318	208,042
Add: Prev. surplus	582,427	398,061
Less: Loss on assets	5,679	23,676
Surplus forward	810,066	582,427
Earned per share:	$0.53	$0.47
No dividend paid.		
Shares O/s., n.p.v.	440,043	440,043
Working Capital		
	$	$
Current assets	1,880,469	1,548,465
Current liabilities	844,792	515,519
Working capital	1,035,677	1,032,946
Balance Sheet Changes		
	$	$
Cash	502,512	330,888
Receivables	658,381	570,269
Inventories	719,575	647,308
Dominion, bonds	99,000	28,727
Payables	392,909	298,712
Gypsum, Lime bonds.	2,663,000	2,980,500
Stand. Lime bonds	442,000	455,000

Imperial Tobacco

Imperial Tobacco Co. of Canada's statement for the past year shows a moderate drop in net profit, result of substantially increased taxes. Net profits totalled $5,968,131 as against $6,202,710 the year before. In both cases the profit figure reported is after taxation. Four quarterly dividends of 10 cents each was paid on the ordinary stock, together with a final dividend of 17½ cents a share. The year before final dividend was 22½ cents a share.

The balance sheet as at the end of 1941 reflects the usual strength, a feature being an exceptionally strong cash position. Apart from the expansion in tax provision, there are no especially significant changes among the liabilities.

Comparative figures in the profit and loss statement follow:

Income and Surplus Account Years Ended Dec. 31

	1941	1940
	$	$
Net profit	5,968,431	6,202,710
Less: Pfd. dividend	481,800	481,800
Ord. dividend	3,780,412	3,780,412
Surplus	1,706,218	1,940,497
Add: Prev. surplus	6,271,726	6,452,292
Less: Final divd.*	2,126,482	2,126,482
Tax adjust.	1,888	5,418
Surplus forward	5,849,574	6,271,726

*In respect to previous year.

Working Capital	$	$
Current assets	19,733,941	18,725,707
Current liabilities	5,161,931	3,677,751
Working capital	14,572,010	15,047,955
Balance Sheet Changes	1941	1940
	$	$
Cash	4,530,045	1,899,756
Inventories	14,580,374	15,852,858
Tax provision	3,195,799	2,304,067
Accts. payable	1,680,207	1,298,939

Acme Glove

Acme Glove Works reports operating profit in 1941 of $195,376, against $146,454 the year before. Net profit of $65,801 was equal to 88 cents a share on the common stock after preferred dividends. This contrasts with $55,966 and 47 cents a share in 1940.

The principal change in the balance sheet, which shows an improvement in working capital, was an increase in inventories from $568,665 to $662,092.

Particulars of the profit and loss statement follow:

Income and Surplus Account Years Ended Dec. 31

	1941	1940
	$	$
Oper. profit	195,376	146,454
Less: Directors' fees	1,500	1,080
Legal fees	137	600
Exec. salaries	34,000	33,080
Depreciation	40,011	25,593
Loss on invest.	39	nil
Inc. & E. P. tax	53,888	30,135
Net profit	65,801	55,966
Less: Div. on pfd.	44,714	44,714
Surplus for year	21,087	11,252
Add: Prev. surplus	21,615	10,362
Surplus forward	42,702	21,615
Earned on pref.	$9.57	$8.14
Paid on pref.	6.50	6.50
Earned on common	0.88	0.47
No dividends paid on common.		
Working Capital	1941	1940
	$	$
Current assets	994,704	906,770
Current liabilities	85,933	56,289
Working capital	908,771	850,482

Easy Washing Machine

Last year, Easy Washing Machine Co. earned net profits equivalent to $5.03 a share on its preference stock against $3.94 a share in 1940. Dividends paid last year totalled $1.05 a share, reducing arrears to 35 cents a share. The mortgage on the company's property was entirely paid off last year.

During 1941, the company spent $20,384 on new equipment to be used on war contracts. Special depreciation has been allowed on this equipment. Some war contracts have been received, partly for aircraft parts. Present contracts will continue well into 1942.

The Metals Controller requested on Aug. 1 that washing machine output be restricted by limiting consumption of secondary aluminum and zinc. On Oct. 1, 1941, an order limited washing machine production to 75% of average 1940 output and at Jan. 1, 1942, this restriction was increased so that maximum monthly production of washing machines is now only 60% of the former figure.

Income and Surplus Account Years Ended Dec. 31

	1941	1940
	$	$
Gross profit	187,541	177,300
Less: Sell. & gen. exp.	112,957	133,945
Income & E. P. tax.	47,000	21,302
Add: Misc. income	4,787	3,250
Net profit*	32,370	25,303
Less: Pref. divids.	6,752	5,626
Surplus for year	25,618	19,677
Add: Previous surplus	114,640	94,963
Earned surplus fwd.	140,258	114,640
*After depreciation:		
Ordinary	9,676	8,835
Special	6,372	......
Earned per Share:		
Preference	$5.03	$3.94
Paid	1.05	0.87½
Common	0.91	0.66
No common dividends paid.		
Shares O/s.:		
Preference, $10 par	6,430	6,430
Common, n.p.v.	30,622	30,622
Working Capital		
	$	$
Current assets	282,196	270,661
Current liabilities	96,617	86,418
Working capital	185,579	174,044

Obituaries

Harry F. Glass, aged 62, at Montreal, director, controller and secretary-treasurer Distillers Corp.-Seagrams, and director Joseph E. Seagram & Sons Ltd. of Waterloo, Ont.

Bertram Blackhall, aged 55, at Toronto, general manager Blackhall & Co., manufacturing stationers, Toronto.

C. E. Jones, aged 43, at Toronto, Ontario manager for Taylor-Forbes Ltd.

William Doyle, aged 58, at Toronto, president William Doyle & Co., investment brokers, Toronto.

PAGE-HERSEY TUBES, LIMITED

BALANCE SHEET AS AT DECEMBER 31st, 1941

ASSETS

Fixed		
Real Estate, Buildings, Plant, Machinery and Equipment, at cost	$6,594,026.48	
Investment in Stocks of Subsidiary and Allied Companies	900,000.00	
		$ 7,494,026.48
Current		
Cash on hand and in Banks	2,089,307.61	
Accounts and Bills Receivable—less reserves	2,059,575.44	
Employees' Stock Participation Fund	31,974.57	
Investment in Government Bonds and other marketable Securities (Market value $2,712,729.48)	2,536,037.85	
Merchandise Inventory—Valued at lower of cost or market—less reserve	3,188,843.02	
		9,905,738.49
Total Assets		$17,399,764.97

LIABILITIES

Capital Stock		
No Par Value, Authorized 175,000 shares		
Issued & Outstanding—174,276 shares	$6,249,670.68	
Earned Surplus	2,695,000.00	
Profit and Loss Account	1,614,220.27	
		$10,558,890.95
Reserves		
Depreciation of Buildings, Plant, Machinery and Equipment	3,914,378.08	
Furnace Reconstruction	30,000.00	
		3,944,378.08
Current		
Accounts Payable	545,099.74	
Wages and Miscellaneous expenses Accrued	194,269.95	
Due to Subsidiary Companies	73,660.09	
Dividend declared and payable January 2nd, 1942	215,935.00	
Provision for Income and Excess Profits Taxes	1,867,531.16	
		2,896,495.94
Total Capital, Surplus, Reserves and Liabilities		$17,399,764.97

Certified correct as per Auditor's Report attached.

Signed on behalf of the Board,

C. L. DUNBAR, Director.
A. W. HOLMESTED, Director.

Sterling Assets Rise Sharply

Bank of Canada's Holdings Increase Over $33 Millions

An increase of $33.4 millions in holdings of sterling and U. S. exchange is shown in the statement of the Bank of Canada for the week ended Feb. 25 This rise, with a slight gain in miscellaneous assets, accounted for an increase of $34.4 millions in total assets of the bank. Accumulation of sterling (the exchange assets of the bank are believed to be all sterling) brings the total figure to $363 millions. This is almost $100 millions more than the total reached at the end of June, 1941, when the bank sold its holdings of pounds back to the Foreign Exchange Control Board.

The purchase by the board at that time was made possible by proceeds from the Victory loan floated last June. It is possible this action may be repeated when funds from the present loan are made available.

The increase in assets was offset on the liability side mainly by increases in deposits of the chartered banks and miscellaneous deposits. The volume of notes in circulation increased almost $4 millions. Miscellaneous items including cheques outstanding were almost $4 millions higher.

	Feb. 25 1942	Feb. 18 1942
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	490,356,233	486,997,351
Rest fund	3,585,705	3,585,705
Depos.: Dominion	26,813,454	26,406,372
Banks	230,249,898	207,976,559
Other	16,575,406	12,224,757
Total deposits	273,638,758	246,607,688
All other liabs.	9,643,725	5,701,965
Total liabs.	784,224,411	749,892,709
Assets		
In sterling & U. S.	363,668,850	330,293,850
Subsid. coin	397,155	412,192
Investments:		
Dom. gov. short	197,808,652	203,162,369
Other Dom. gov.	209,441,358	204,262,422
Total invest.	407,250,010	407,424,791
Premises	1,770,507	1,770,213
All other assets	11,137,889	9,991,753
Total assets	784,224,410	749,892,709

Bank Chat

Shortages of various materials used in branch banks are now reported by the stationery departments at head offices. These shortages, including goods made of rubber, metal and paper are expected to increase in coming months. In some cases, it is claimed, over three months have elapsed since orders were placed with no sign of them being filled yet. White letter paper, green blotters, rubber bands and erasers are among the things mentioned on which it will be especially necessary to economize. Some banks are asking their employees to take special care of pen points, pins, paper clips, etc. Typewriter ribbon spools are being collected as a salvage measure. It is claimed that red and black typewriter ribbons may become harder to get, also binders for cards and papers in which cloth is used.

Conservation of stationery supplies, a matter of economy for the bank, and helps the war effort.

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter 1727)
Head Office:
EDINBURGH
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E.C.2
8 West Smithfield, E.C.1
49 Charing Cross, S.W.1
Burlington Gardens, W.1
64 New Bond Street, W.1
Complete Banking Facilities
Associated Banks:
Williams Deacon's Bank Ltd.
Glyn Mills & Co.

SAVINGS PASS BOOK

PASSPORT TO SECURITY
Regular saving from your income of today is vitally necessary . . .
—to your future security . . .
—to the security of Canada and her Allies.
Saving Money is Saving Goods
Any of our branches will welcome opportunities of serving you.
The BANK of NOVA SCOTIA
1832 . . . . . (110 YEARS) 1942

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LIMITED
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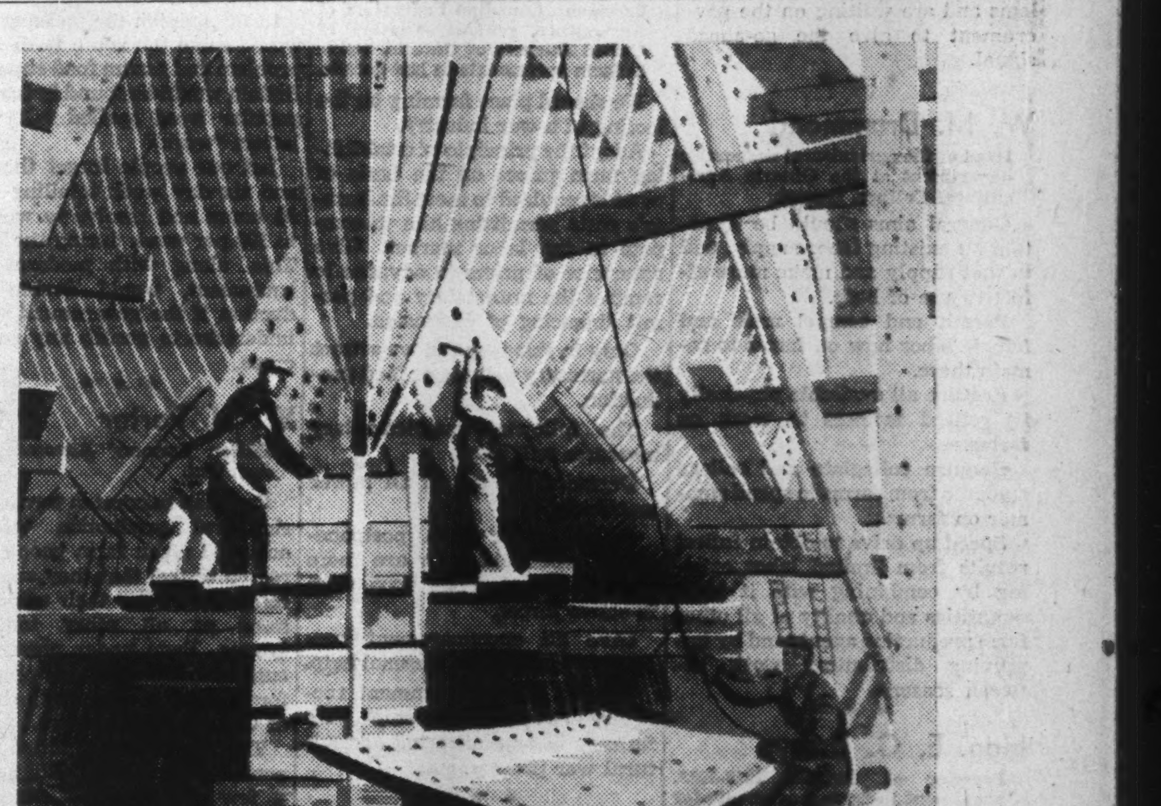

Thrift BUILDS SHIPS!
Where does the money come from to wage this War—to build the ships, the planes and tanks we need to "finish the job?"
Much of it comes from the savings of ordinary men and women—the thrifty people of Canada—the savers. These are the people who buy Victory Bonds and War Savings Certificates, who pay their War Taxes on the nail. Never before has personal thrift been so vitally necessary. Watch your spending. Every dollar you can save is needed now to arm and equip our fighting forces—to win this War.
➧ This book will help you save. The Royal Bank Family Budget Book shows you how to budget your income, how to save by planned spending. Ask for a free copy at your nearest Branch.
The ROYAL BANK of Canada

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PLAIN—PRINTED—EMBOSSED
Let us prove our ability to give you prompt and efficient service. Order may be completed, held in stock and delivered as required for your convenience.
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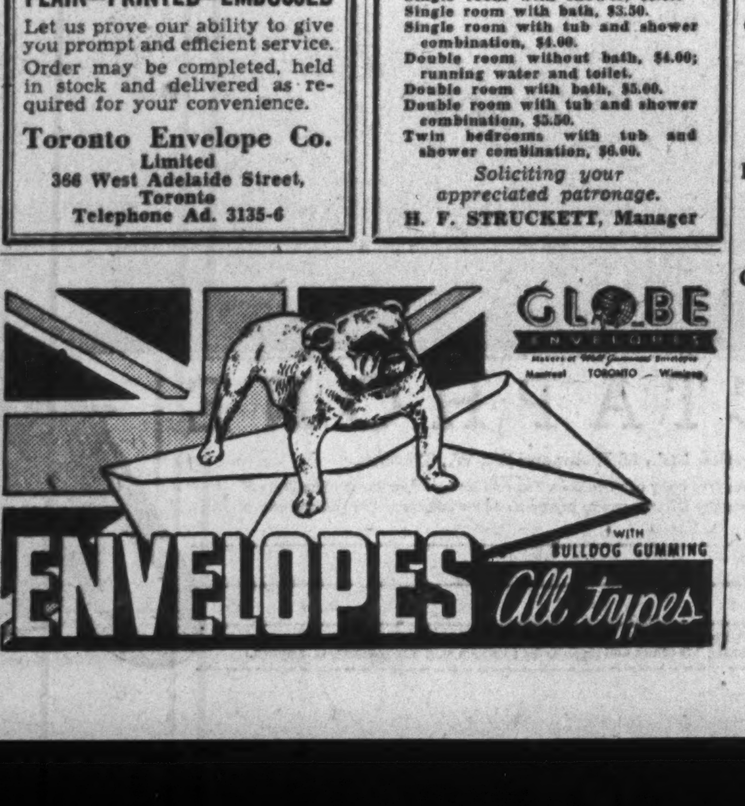
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $5.00.
Double room with tub and shower combination, $5.50.
Twin bedrooms with tub and shower combination, $6.00.
Soliciting your appreciated patronage.
H. F. STRUCKETT, Manager



This week The Financial Post asks —

What Measures Would Help Solve Acute Farm Labor Problem and Assure Food Supply to Britain?

C. A. Cathers

of Brawley, Cathers & Co., investment dealers, Toronto, and owner of farm near Toronto.

I would suggest the following as a solution for the farm labor problem:

1. The discontinuance immediately of all non-essential industries and services.

2. Granting of leave to experienced farm laborers now in training in the non-active forces.

3. Make it compulsory for all able-bodied students over 16 years of age to work on farms from April 15 to Sept. 15.

* * *

R. D. Colquette

Editor, The Country Guide, Winnipeg, Man., and formerly on the staff of the Ontario Agricultural College, Guelph.

The announced policy of the government is to put every man and woman in the place where they can render the greatest service.

There are three fronts: The war front, the industrial front and the food front. They are of equal importance though they call for unequal sacrifice.

The food front, especially in livestock production, calls for special skill. The supply of young men possessing this skill has been depleted by enlistments and drainage into war industries. It can be restored only by locating them first in industry and then to the extent necessary in the armed forces and sending them back to the farms and making them stay there.

* * *

W. R. Drynan

President and general manager, Canadian Canners Ltd., Hamilton, largest canners of fruit and vegetables in Canada.

To reply satisfactorily your question requires information as to the extent and nature of Britain's food requirements.

My opinion is if the producer has a guaranteed market at a satisfactory price he will find ways and means himself of coping with his labor problem and will produce to the limit of his acreage.

As far as the canning industry is concerned there will be no difficulty in securing required acreage from the farmers and both canners and growers feel competent to deal with their labor problems and are waiting on the government to give the go-ahead signal.

* * *

W. M. Drummond

Head of the agricultural economics department at the Ontario Agricultural College, Guelph.

General aims should be to retain all existing labor supply, add to that supply and make more effective use of both.

Permit and compel male and female labor now on farms to remain there.

Require all available physically fit retired farmers to work on farms.

Require collegiate and college students from farms to spend summer on farms.

Speed up drive to obtain fullest results from limited labor existing by combining with it right quantities and quality of all other farm production agents and by improving distributing work between seasons.

* * *

Hon. E. C. Drury

Premier of Ontario 1919-1923, prominent in farm movements for many years, and owner and operator of large farm at Crown Hill, near Barrie, Ont.

Farmers in this district are organizing a pool of mechanical power and equipment. This will help with cultivating and seeding.

Women and girls from cities are of doubtful value except on truck and fruit farms. Schoolboys gave good service in the last war and can now. Their usefulness could be increased by training them to milk, by the use of dummies, before sending them out. Milking is not so much skill as it is a matter of strengthening forearms, muscles. This could be done by suitable training.

Daylight saving time is a definite handicap in harvest months, June 15 to Sept. 15, when one hour in evening is worth two in morning. Farmers cannot ignore its general applications. If D.S.T. could be set aside for this period it would increase the effectiveness of harvest help 10 to 20%.

* * *

A. W. Ellis

Associate editor, Advertiser Topic, Petrolia, published near the centre of one of the richest agricultural districts in Ontario.

In our opinion farm boys, no matter how engaged, because of their knowledge of farming, should be conscripted or drafted for farm work, for the months of June, July and August. If in munitions the job should be guaranteed him upon his return, and if in the army, his pay should be continued and should be considered as a bonus. Immediate action should be taken to enable farmers to plan for the 1942 crop budget.

* * *

F. E. Ellis

Of Dunburn Farm, Woodstock, poultry and dairy specialist and agricultural writer.

To get the labor essential to vital food production I suggest:

(1) That sons who are keymen on farms be granted honorable exemption from military service.

(2) That other labor can be secured only by farm wages in keeping with those of industry and

(3) Increased prices for produce are necessary to enable farmers to pay such wages.

Putting high school boys on farms, harvest leave to enlisted men and maximum use of a communities power machinery, are worthwhile, but of minor importance compared with first propositions.

The zeal of farmers' families alone saved situation last summer.

* * *

Paul Fisher

Large fruit grower near Burlington, Ont., and prominent spokesman for the fruit growers of Canada.

As long as our national farm policy embraces price ceilings for foodstuffs and a price cellar for wheat, only with temporary and intermittent subsidies on certain other farm products, we farmers must produce less than the combined requirements of domestic and export markets to keep up our prices. This means that school children and casual help will again in 1942, as they did in 1941, produce the necessary slight shortage.

If our national policy should be changed to build up war reserves of foodstuffs and raw materials, such as fats, oils, wool, cheese, dried milk, eggs, meat, fruit, vegetables, etc., then we would have a farm labor shortage that could only be met by some form of selective service.

* * *

H. H. Hannam

President, Canadian Federation of Agriculture, general secretary of United Farmers of Ontario, active in farm movements in last decade.

We should place farming on the footing of a war industry.

Adopt the principle of establishing farm prices on the basis of what is required to meet the farmer's costs permitting him to compete in the labor market. Give assurance of prices in advance to remove the uncertainty and permit financing of expansion.

Only in this way can we attract the necessary volume of food production.

The following supplementary measures will help:

Organize the use of all power machinery.

Grant longer term postponements where keymen are more needed in producing food than in active forces.

Give all encouragement possible to projects for seasonal help.

Finally, have government recognize closer partnership with farmers in administering agricultural war programme.

* * *

Harry R. Jackman, M.P.

President, Debentures & Securities Corp., Toronto, farm owner and member of House of Commons for Rosedale (Toronto).

The remedy for farm labor problem is to make working on the farm as economically attractive as working in industry. Failing the equalization of farm wages with resulting higher prices for farm products or government bonusing then conscription of labor for farms is essential.

We are rapidly moving toward a completely controlled economy. It is impossible that two war industries, namely, munitions production and food production should have such a great disparity in the price offered for the same type of labor and food production not suffer.

In Great Britain the government determines the labor supply available to essential industries. Farm labor cannot leave the farm for industry, if a greater contribution to the national crisis is to be made by remaining on the farm.

We are faced with conscription of man power and woman power for all purposes if we are to preserve our liberty. The government is already late in acting. In carrying out this policy equality of rewards and sacrifices by all must be the chief objective next to our main purpose in life, the winning of the war and the restoration of our individual freedoms.

* * *

Dr. W. V. Longley

Director of Extension Services, Nova Scotia Agricultural College, Truro.

Classification of agriculture as a war industry, particularly as food producer, is becoming of increasing importance in successful prosecution of war. This implies greater consideration to postponement for military service, of farm workers. It also implies priority for essential supplies and equipment such as fertilizers, machinery, spray materials, etc.

Other ways of helping relieve shortage of farm labor would be:

Increased mechanization of farms;

Fuller co-operation within communities on machinery;

Release from high school during busy season of farm boys and girls and where required those from urban centres too;

Increased use of women on farms;

Provision for release from training camps of soldiers with farm training during harvesting.

* * *

Dr. J. E. Lattimer

Head of the economics department of Macdonald College (agriculture), Ste. Anne de Bellevue, Quebec.

Farm labor problem results from difference in income of farmers and others. In 1914-18 this difference was less yet food shortage developed then.

Today, price ceilings limit rise in prices of farm products, but there is no ceiling over farm wages. The result is a scarcity of farm labor.

One measure worth considering is military training for farmers in the winter months only together with release from training in the following summer, subject to recall the following winter. Final result would be the securing of both trained men and farm labor with the least waste of time and training.

* * *

Hon. W. F. Pirie

Minister of Lands and Mines in the New Brunswick government, and large potato grower at Grand Falls, N.B.

In my opinion the measure that would solve the acute farm labor problem and assure food supply to Britain would be found in that unpopular word spelled with four letters "work."

Let our people forget this five and six day week totalling 48 to 60 hours and resolve to work 84 to 100 per week during the crisis. This, along with modern farm equipment, would double production if the government would undertake to absorb any surplus crops.

* * *

W. H. Porter

Editor, Farmers' Advocate, London, Ont.

Canada's maximum wartime agricultural production will be achieved when farm people have reason to feel that they are being compensated for their efforts the same as all other industrial groups. Even under present circumstances farmers are preparing for the biggest effort in the history of Canadian agriculture.

There is no one solution of the acute labor problem. But here are a few attempts that should be made:

1. A well-defined plan of consideration of keymen in agriculture.

2. Grant leave with pay, during harvest, to farm experienced men in the armed forces.

3. Organize by communities to make the greatest possible use of help, implements and power.

4. Organize mobile labor units to handle emergency or peak situations.

5. Threshing and silo filling outfits doing custom work should carry a complete complement of men.

6. Continue use of high school boys and girls.

7. Secure all possible help from towns and villages.

8. If situation demands it, resort to compulsory selective service.

* * *

P. T. Rogers

President, Canadian Sugar Factories Ltd., Vancouver, with plants in southern Alberta.

This area in southern Alberta has been requested by the Dominion government to increase beet sugar production. Surveys show widespread labor shortage for farms and especially for hand labor in beets, but there is widespread community sentiment against oriental labor moving in to relieve it.

Farmers would be willing to use government supervised labor apparently available from other districts if the Dominion Department of Labor organizes control, assumes responsibility for and removes such labor at completion of employment. Groups can be employed under labor contracts at good wages from May to November. This district could use 1,000 workers and these people should be selected for farm experience with disloyal element and agitators eliminated.

* * *

M. C. Senn, M.P.

Member for Haldimand, Ontario, in the House of Commons, farm owner near Caledonia and former chairman of the Agricultural Committee of the House of Commons.

An alarming shortage of Canadian farm labor has developed.

Compulsory selective service based upon information obtained by 1940 National Registration should be enforced to conserve experienced labor on Canadian farms. The time has come when every Canadian should be placed in his proper category and remain there.

A proper parity between producer prices of farm products and prices of other commodities should also be provided so that agriculture can compete with other industries in the labor market. Farmers could then purchase, maintain and operate labor-saving machinery to fill in the gaps in farm labor caused by enlistments and the lure of high wages and shorter hours in the city.

London Calling

by Adelphi

LONDON: In the swirl of names being discussed in London General "Andy" M cNaughton keeps on bobbing up. His claims as a soldier and a scientist have made him a serious contender for inclusion in a small war cabinet. If that should come about the general would not officially represent Canada but would be a Canadian in the war cabinet. Ottawa is, of course, not enamored of the idea of an Imperial war cabinet and might bring pressure on M cNaughton to stay out. Whatever happens I can assure you that he is being seriously considered in government circles here at this moment. His appointment would be immensely popular over here.

* * *

Russian Winter

Britain appears to have gone so pro-Russian that it has even adopted the Russian winter. It is true that the Thames has not frozen over as it once did on a memorable occasion but the old river is about the only thing that has not suffered from the cold. As usual the sun has taken a winter vacation with the result that the tight little island is not exactly a hilarious spot.

The news from the Far East has not added warmth to the blood. The British are supposed to thrive on bad news but in this war the diet has been overdone. The people are becoming angry and impatient. That does not mean that there is the slightest element of defeatism or discouragement. They are just tired of being knocked around the ring and they want to hit back. This spring should give them the opportunity.

* * *

Hincks Studies Children

Another Canadian who has interested the British is Dr. Clarence Hincks, the Toronto-born scientist who has specialized in child development. Dr. Hincks, whose father is a famous Canadian Methodist preacher, is something of a card as well as a scientist. He has unexpectedness as well as sagacity and takes an unconventional viewpoint on life. He has lived his life between Canada and the U. S. A. and, after the war, he will probably make it a three-cornered affair by including Britain. He finds British education surprisingly good but is disappointed at the lack of research in child development.

Over here we do not regard the child as anything but a normal expression of life itself. In fact there is a stubborn belief that the more you study a child's inhibitions the more you make the child conscious of them. And after all the British have been producing children for a long time and not with such bad results. Dr. Hincks, however, is determined to bring the light to us.

He made an excellent impression here and met everybody. In his last few days he was entertained to dinner by Lord Dawson of Penn and Lord Kemsley, but he spent much of his time in the poorer districts and in the provinces. He will have a story to tell when he reaches Toronto.

* * *

Duncan of the Maritimes

Canadians will have a double interest in the new cabinet. The Minister of Supply, Sir Andrew Duncan, has a special niche in Canadian affections. Some years ago when the maritime provinces felt they had grievances Sir Andrew was invited to head a commission to investigate matters. After a careful study at first hand "Andy" brought in a series of recommendations which somehow managed to satisfy the maritimes as well as the Dominion government. This must nearly constitute a record.

His brilliant elder son was killed at Dunkirk and for a time it seemed as if the father had lost his drive. But he threw it off and is now working at tremendous pressure. Like so many Scots who invade London the rich BURR of his accent deepens with each year of exile from his native Highlands. The Sassenach has made no impression upon that melodious Caledonian speech.

Also like many Scots Sir Andrew is a rigidly honest man who indulges in self-deceptions. For example he will have no wartime luxuries of any sort at his dinner table but will produce a voluptuous cigar when the meal is over. Also he detests gambling and says that gamblers are fools. Yet, when he has an hour free at night, he will call upon his old friend Dr. MacKinnon in St. John's Wood and play double-dummy bridge with intensity and almost ferocity. Many a sixpence has changed hands in what has become a Scottish feud.

R. G. Menzies of Australia said that next to Churchill Sir Andrew was the ablest man he met in Britain. That is high praise even if Britain is not exactly bristling with great men just now.

* * *

BBC at Singapore

There is a story of youthful enterprise in the identity of the two BBC announcers at Singapore whose cheerful voices kept on giving the news up to the very last. They were Giles Playfair, son of Sir Nigel Playfair the actor, and Aubrey Herbert.

They were undergraduates together at Oxford but I have never known anyone to be in such a hurry about life as young Herbert. He was an enfant terrible. An ardent and provocative Liberal, he used to attend Liberal conferences and make violent, flamboyant speeches. He even contested a parliamentary seat while still an undergraduate and nearly captured a Tory stronghold. Still not content to wait for life's experiences he married when he was at Oxford. As a husband and father, still in his twenties, good looking and romantic and wonderfully alive, he volunteered to go as an announcer to Singapore.

Giles Playfair, who was at Oxford with Herbert, is a quiet steady Etonian who tried to get into the air force and was deeply chagrined at being turned down. He is practical, thoughtful and self-disciplined. His friendship with Herbert is one of dissimilarities—not a bad basis at all.

* * *

Watch Cripps

Sir Stafford Cripps continues to be the most discussed personality in British politics. Three years ago he was such an extreme left-winger that the labor party expelled him. No communist could outpace Cripps' views at that time.

Via radio he told us that while he admired Russia enormously he recognized that Communism would never work in Britain. So now the returned prodigal is being cheered on both sides of the fence. He is very much a man to watch.

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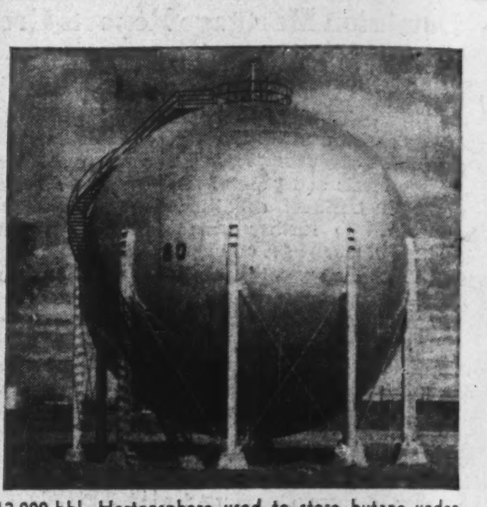

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Clearing The Tracks For War Industry

How Britain 'Concentrated' Her Industries

She Freed Men For War Work And Cut Costs by "Telescoping" Plants

Canada is close to "telescoping" of industry. Here telescoping is being dictated by two chief considerations:

The need to divert plant, machines and workers to war, while maintaining the necessary minimum flow of articles for civilian use;

The need to reduce costs in manufacture in order that business may be able to absorb the price "squeeze" occasioned by rising unit costs in the face of a ceiling on retail prices.

The second of these reasons is the key one in Canadian discussion at the moment. Thus it is that the administrators under the Wartime Prices and Trade Board — the policemen of Donald Gordon's price ceiling — are exploring what can be done in the field of "concentration" of industry.

Red Ink Figures Coming

The problem they may seek to solve, in part, by telescoping is simply this:

War needs are reducing supplies of war materials available for the manufacture of many articles. Factories making these articles will have to cut their production schedules. That means that the costs per unit of manufacturing the articles are bound to rise. But the price ceiling stops selling prices from rising even though costs go up. So there are going to be a lot of red ink figures in industry, and a lot of bankruptcies, if a way cannot be found to cut costs.

One method with which Canadians are not familiar is the method of telescoping. Britain is familiar with it. It has been practising "concentration of industry" for nearly a year.

The retail merchant in Britain is allowed to buy only a fixed percentage of his pre-war purchases of certain articles. For example, cotton, silk, linen, whether in piece or in made-up goods, are now supplied in only 20% of the quantities of the standard period, April-September, 1939. Rayon piece and made-up goods are limited to 40%.

Limitation of Supplies Orders cover practically the whole field of ordinary peacetime "consumers goods"—clothes, footwear, hosiery, leather, paper, furnishings, pottery, lighting fittings, photographic materials, toys, toilet goods, jewellery and so on. It is estimated that the reduction in goods available for sale is about 50%.

The regulations came into force in 1940. They were intended not only to conserve materials but to free workers to take on war jobs.

Drastic Move Needed

The workers were freed but for some reason they did not quickly move over to war work. Many industrial plants found themselves operating at not more than 30 to 60% of capacity. But they continued to remain open. Their workers, particularly those with special skills, remained on their jobs, often on short time, rather than accept the hazard of moving to a new position. Something drastic had to be done to insure that the workers transferred themselves to munitions plants and also to protect the industries themselves against the losses from less-than-capacity operations.

To meet the situation Britain moved last March to introduce the plan of concentration of industry. The measure was intended to prevent factories, whose output is restricted, from continuing on part-time operations. Firms were asked by the Board of Trade to make their own arrangements within each industry to concentrate their reduced output in a smaller number of "nucleus" firms which would thus be able to work at full or near capacity.

The nucleus firms act as agents for all the firms in the industry, including their former competitors who have gone out of production under the plan.

The plan was confined largely to the 80 chief "light" industries of the country including pottery, jewellery, leather goods, plastics, toilet goods, cosmetics, hosiery, rayon, footwear, paper—in fact, all the industries whose products go into normal retail sales channels and whose output has been reduced by "Limitation of Supplies" orders or curtailment of exports, and which are not "naturals" for war work as are the steel, machinery, motor car, rubber and metal industries. It was thought that between 500,000 and 750,000 workers in these industries could be freed to go into munitions plants.

Actually the results achieved have fallen short of the objective. The number of workers freed to date amounts to about 150,000. In addition, about 50 million square feet of floor space in 600 factories has been made available.

Where it has been possible to use this space for war production it has been so converted. But a very large proportion has gone merely into storage. Britain needs enormous storage room. It has been piling up stocks of shells, for example, to be used in the event of invasion or an assault on the continent.

Like Cartel Organization

The Board of Trade has left it to the industries themselves to work out plans, only stepping in where agreement is impossible. In some cases the industries have been asked by the Board of Trade to select the nucleus firms. The system used is much the same as that followed in working out "cartels" in Europe and the pre-war "rationalization" agreements in such industries as milling. If one firm has several plants it will probably continue to operate at least one of them. Usually the most efficient plant or the one operating closest to capacity is selected.

The firms selected to operate produce for all the other firms. Where brand names are involved they are not disturbed, even if it means that Company A is producing Brand A, Brand B and Brand C all in one plant.

Skeleton sales staffs are maintained by all the producers. In one typical case a sales staff of 100 men has been reduced to two persons—a sales manager and his secretary

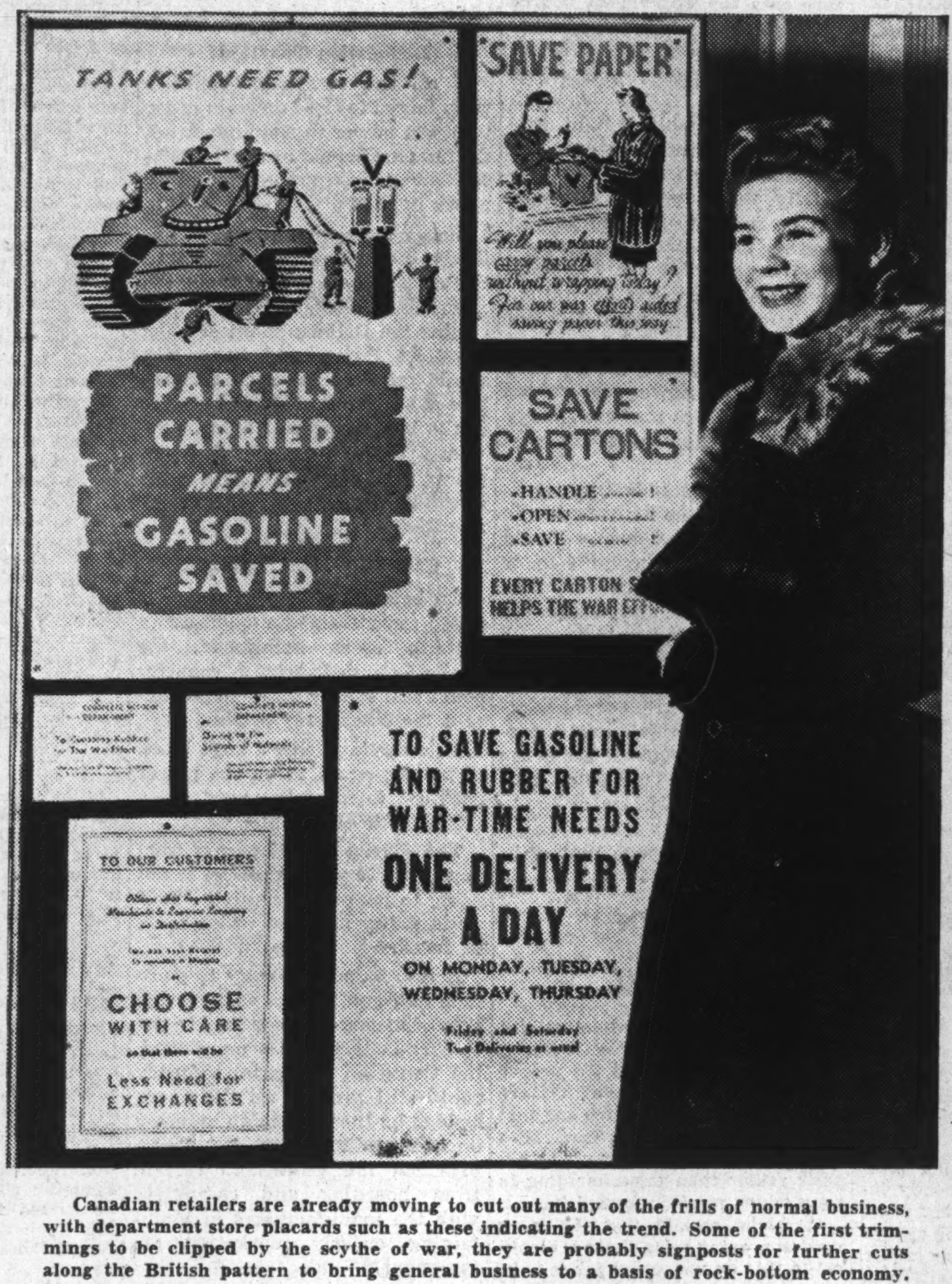
To protect the interests of the non-manufacturing firms compensation pools are set up on various bases; an agreement being worked out by the firms themselves. In the cotton trade the nucleus firms pay 1½ pence per spindle per month into the pool. The firms that are not operating receive compensation at the rate of 1 penny per spindle per month. These payments are not large; they do little more than cover the cost of maintenance of plant and machinery and certainly do not provide any profits for the non-operating firms out of which dividends could be paid to their shareholders. But in some cases the firms shut-down are given war jobs to do.

If their plants are used only for storage they receive rentals from the government. In actual practice the mills shut down are usually obsolete or semi-obsolete mills and many of them were not really on a profitable basis even in normal times.

A high British official told The Financial Post that there had been no "chiselling" by the nucleus firms to grab off customers of other firms. Everyone is playing the game.

Assurance has been given by the government that concentration of industry is only a war measure. The plants will be allowed to return to normal competitive production after the war. But again the actual result may be different from the theoretical expectation. There are many industries in Britain where obsolescence in machinery and techniques has been injuring their chances of survival. The cartelization or rationalization achieved under war conditions is likely to be given some permanent form. Many of the closed plants will either be abandoned or will be rebuilt with more modern machinery.

British industry is likely to be more efficient and more streamlined as a result of the enforced telescoping of business. Thus what is essentially a war measure gives promise of leading the way to modernization.



Canadian retailers are already moving to cut out many of the frills of normal business, with department store placards such as these indicating the trend. Some of the first trimmings to be clipped by the scythe of war, they are probably signposts for further cuts along the British pattern to bring general business to a basis of rock-bottom economy. The simplification programme now progressing means wide-scale revision of Canadian business practices, and has already brought the possibility of drastic centralization of production into popular discussion. Above posters have been displayed in the Toronto department stores of the T. Eaton Co. and the Robert Simpson Co.

How Canadian Business Cuts Down Its Costs

Peacetime Methods Going Overboard as Business Strips For War

By ROBERT C. STARK

Behind the coast to coast battle line of Canadian business, staff work is going on that rivals in scope and detail any campaign planned in the military sphere.

That staff work at the moment consists of lining up a mass of information on the Canadian way of doing business. Its impact will become increasingly evident over the next weeks and months as trade and industry move toward rock-bottom economy.

For businessmen this will mean throwing out ideas and practices that have grown up through the years, services which have in the past been considered essential, at least from a competitive point of view.

From now, unessential trade practices, waste or extravagance in any factory, store or office are regarded as harming the war effort hence anti-Canadian.

From businessmen there is now demanded a co-operation unprecedented in scale in this country. Lions will lie down with lambs, competitors who used to breathe fire at each other must now get together to formulate the most economical production plans possible.

Only the Beginning

The cost-cutting campaign now at hand means a full-scale revision of our ideas on what we thought we needed in the soft days of peace.

We have already seen something of the shape of things to come—women's hosiery has been cut to four basic colors, men's socks are down to eight basic colors, urban delivery systems have been materially reduced, special deliveries are out entirely, bread wrappers have been reduced in weight and color, bread itself now comes unsliced, rubber footwear styles have been cut to 65 from 354, men formerly plagued with a multitude of hidden pins in new shirts now find that problem to have almost disappeared with pins used being reduced from 8 to 2. These are some of the frills that have gone with the wind of war, they are the tentative slices preparatory for real cuts that are still on the way.

Men's wear buyers will shortly find evidence of further moves toward economy. Shirt and pyjama makers will be using substitutes when their stocks of pearl buttons become depleted. Fused collars on shirts are on their way out while no pockets are to be put on any printed or so-called fancy shirts retailing at $2 or less, with the exception of white, plain shade or sport shirts. Except on sport shirts, pleated sleeves and buttons on the sleeve placket on shirts to retail at less than $3 are to be eliminated. Above $3 it is up to the manufacturer. Cardboard inserts in new shirts are out. Shirts will also be put up in smaller fold so that smaller boxes can be used for packing. Labels add nothing to the value of a piece of clothing and do entail extra work. They are headed for the exit sign.

Biscuitmen Cutting

Biscuit-makers have agreed on certain minimum sizes for cartons. Width and length of flaps on cartons is being cut while the quantity of wax and glassine paper inside the packages is reduced. From now on biscuits and cookies will come packed a dozen to a container instead of a quarter and half dozen. Manufacturers offer grocer customers 50% of the original cost of the corrugated paper containers in which the biscuits were sent for their return. These containers are now being made with gummed strips on the corners instead of steel brackets so that they can be easily collapsed and sent back for re-use.

Fine papermakers have cut the number of size and color options offered.

In many cases changes have been forced by dire necessity and shortage of materials rather than the aim of reducing costs. These shortages have brought reductions in lines of kitchen utensils, rubber materials, sizes of paint brushes, number of paint colors, number and sizes of tin cans, etc. Question is how much further can industry and selling go in changing methods, styles and varieties so as to conserve material and man power before a real shortage hits?

Forewarned — Forearmed

The idea of trimming the sails in the present time of comparative calm to get ready for a possible impending storm is the attitude that is being officially encouraged by Ottawa Industry has shown that it can absorb some pretty stiff blows when it has to. Getting ready now to soften that blow if and when it falls is the current gospel and accent is being put on the "when" not on the "if."

Such preparatory work immediately points to the need of all those engaged in a certain line of business meeting on a common ground and agreeing on methods which will help them generally to operate more efficiently, more economically. Often that is a lot tougher than it sounds. The fact is that many Canadian industrialists and merchants have been toughened by long years of hard competition. They are just not used to consulting with competitors.

One example is the suggestion of E. G. Burton, Administrator of Retail Trade, that druggists refuse to deliver a package of cigarettes or a bottle of ginger ale as part of their war job of eliminating unnecessary costs. Some drugstore operators, harried by lack of delivery boys, breathed a welcome and proceeded to follow the suggestion. Other druggists immediately proclaimed that their delivery services were being maintained—ordinary competitive practice.

Self-Government Aim

That is just a minor indication of what could happen generally if businessmen refuse to get together. Ottawa is looking for the incentive to come from within industry itself. It wants to keep the check-rein of official rulings and orders as light as possible realizing that the imposition of hard and fast regulations without the full co-operation of those businesses affected would mean a tremendous increase in administration, would mean less efficiency.

To get the programme going Hugh A. Mackenzie, general manager of John Labatt Ltd., London, has been given the head chair of a department that is so new that it is still unnamed, probably will be called something like Division of Simplified Practice. The Mackenzie chair at Ottawa has not yet

(Continued on page 17, col. 2)

This Famous Thinker and Writer says —

War Has Transformed People of Britain

Since 1926 Harold J. Laski has been professor of Political Science in the University of London, where he has achieved prominence as a pioneer in political thought. Canadians will remember him as a lecturer in history at McGill from 1914 to 1916 and Americans for his affiliation with Harvard University from 1916 to 1920. Author of some of the most brilliant works on political subjects in this century, he here steps out of the academic field to give The Financial Post an account of what is probably the most important political development of the war—the new democracy of the United Kingdom.

By HAROLD J. LASKI

No struggle in this country since the Civil Wars of the 17th century has so vitally affected the civilian population. The organization of the people to cope with the horror and danger of air raids has played a fundamental part in making us realize the nature of the enemy we are fighting. It is, I think, true to say, also, that no aspect of the war has done more to bind all classes together in unbreakable resistance than the preparation which civil defense has entailed.

It covers so many elements in our lives. The problems involved touch not only the actual protection of lives and property from the effect of raids. There is the preventive aspect; evacuation, especially of the child population, and billeting. There are the fire-fighting services. There is the need to aid those who lose their homes. There is the problem of communal feeding. There is the clearance of the debris when the raiders have gone. There is the replacement of clothing and furniture destroyed in attacks. There is the care of the shelters, the effort to maintain them not merely in cleanliness and warmth, but in psychological conditions which create confidence in their use. There is the duty, now universal in urban centres, of fire-watching. There is the provision of the rest-centres in which bombed-out persons can find a breathing-space before they set out on the grim trek for new accommodation.

All in all, it is, I think, pretty true to say that no inhabitant of a big town, and many in the small towns, also, but has been brought into direct contact with one or other of these services. The depth of the common danger makes more of us aware that we are members one of another, that our civic context is vital to our survival as a people than at any previous time in our history.

Perhaps it is simplest, to illustrate the way in which the war has bound us to one another, enabled some profound transcendence to take place of those class-divisions by which we were separated from one another, to take the little East Anglian village where I live. It is 20 miles from the sea, and in the direct line taken by German raiders as they fly in from the Dutch coast.

Before the war we were a village of 120 people; now, with evacuees (mostly bombed out people from East London) we are over 200. There are only six houses in the village without evacuees. All the men under 60 are either air-raid wardens or members of the Home Guard. Twelve of the women are air-raid wardens also; and 15 persons, men and women alike, take up fire watching duties in rotation whenever we receive an air-raid warning. Before the war there was little social life in the village.

Now, every Friday, we have a movie to which everyone goes, from the Squire's wife to the tinker who chooses the village as the centre of his round. On Wednesdays, there are classes in sewing or fruit-preserving in alternate weeks. The nearest school is three miles away; and the nine cars in the village are used to take the under-nines there and to bring them back again. Every Saturday there is a whist drive; and I doubt whether Mrs. Jonas of West Ham has known a prouder moment than when she beat the retired Headmaster who is the chief air-raid warden and won the first prize by a single point.

We have our quarrels, of course; and it took some time before the villagers accepted the evacuees as part of their normal life. But, first, they discovered that most of them had passed through a great experience. Then they discovered that it was interesting to exchange ideas. Then they found that with the growing difficulties of transport, people could do things for one another that they could not do separately. When the Squire's son (Eton and Cambridge) had to do fire-watching every Thursday with the postman he found that they had far more in common than he had ever been previously aware. Even the Vicar's wife has so far relented to the Baptist minister as to be grateful to him for some jam made from the plums in his garden; and she has been heard to whisper (of course in very strict privacy) that he would have made an admirable Anglican clergyman.

I do not profess to know how far this sense that our society is a fellowship united by an equal interest in fighting Nazism will survive the victory we shall, at long last, attain. What I am convinced of is that the necessities of organizing against a danger which does not distinguish between persons has made innumerable people discover for the first time their common humanity. More than this. Many thousands have, for the first time also, had work to do of genuine civic importance; and they have found it far more interesting than the futile round of "social" duties in which they were previously immersed. Many thousands more, especially among the workers, have found that communal feeding means a liberation from the tyranny of the home, and sets them free for duties in which their individuality has a chance of self-expression previously denied them. Of course, there are many prepared at the slightest provocation to shift their burden on to someone else. Of course, also, there are some, as in this village of ours, who are disturbed at the removal of those social barriers behind which they sheltered themselves from civic obligation.

But, by and large, civil defense has been a great lesson in democratic government because it has provided several hundred thousand people with the opportunity to find the source of their self respect in a service where men and women have met upon an equal footing. When you are helping to get out people from a half-bombed house the barriers of wealth and birth are down. When you patrol the darkened streets during an air-raid, and you hear the angry hum of the bombers overhead, the only thing that seems to matter is that your fellow-warden is a friend. You forget that he is the porter of the apartment house around the corner. You remember the dangers you have shared and the experiences you have exchanged. Civil defense wipes out the artificial distinctions tradition has handed down; it makes possible a plane of equality where what is important is the humanity of men.

The real problem for Britain is whether it has the imagination and the courage to find the institutions through which all that is possible of this spirit may be made a permanent part of its inheritance. I do not pretend to know whether it will; I know only that there is something infinitely precious in the unity begotten of the common danger, and that the loss of it would be a tragedy indeed. What it has taught many of us is two things: to put first things first, and to find the sources of our satisfaction in the common satisfaction.

They are great lessons. They mean, I think, a more open mind, a more unselfish mind, less of that craving for power which has been the supreme enemy of the democratic way of life. And, not least, they have made many of us see how great is the power of the common man to respond to a great call. To give that power the opportunity of expression not less in peace than in war is to make permanently secure the foundations of democracy. To create the opportunity is the supreme task of statesmen in the next generation.

Rumors Hurting Newsprint Marketing

Power Supply is Key to Outlook – Some Diversion Probable

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Threat to orderly marketing and maintenance of adequate newsprint supplies, is seen in the circulation of rumors in the United States of a possible shortage.

At this stage, and for the immediate future, there is no need for American or other publishers to be unnecessarily concerned over a possible shortage.

This does not mean there may not be a tightening up of supply at a future date. The manner in which industrial production has been influenced by war developments, makes it apparent that no industry can say with certainty its operations will be unaffected for the duration.

World's Main Source

The Canadian newsprint industry has a clear realization of the vital place it holds in relation to the American publishing industry; as well as to the publishers in Canada and overseas. It is the principal source of supply of paper remaining for the free countries of the world.

To date the industry has done an excellent job; it has made available every ton of newsprint paper required.

Because of the rumors, there has been a moderate amount of stocking up by some American publishers. This militates against the interests of all and adversely affects the ability of the industry to provide regular and adequate supplies.

Moreover, reports indicate some publishers are "on edge" about future supplies due to rumors of transportation difficulties; shortage of power, etc.

The present newsprint supply situation has been checked carefully by The Financial Post. Its findings follow:

Last year the Canadian mills produced 3,425,000 tons of newsprint paper; an amount which paralleled shipments.

Losses Offset Gains

Indications are there will be no change in the overall demand in 1942. Prospects are that any gains will be offset by losses.

The advertising trend in the United States is not too hopeful. Any increase in lineage can be taken care of without increasing the use of newsprint paper. The Publishers Conservation Committee has arranged to reduce returns; limit sizes of sheet; restrict free circulation and let up on drive for circulation.

Overseas trade will be lower owing to the shortage of shipping space.

On the basis of 1941 demand the Canadian industry operated at 75% of capacity. This left 25% spare capacity to take care of any growth in demand for 1942. In the last half of 1941 spare newsprint capacity was used in manufacturing kraft substitutes—9 point corrugating paper, etc. Production of these substitutes until of late was at the rate of 225,000 tons annually.

Within recent weeks this type of business, which is on a spot and not a contract basis, dropped sharply and is currently at the rate of about 115,000 tons annually. A further decline is anticipated.

Reason for the bottom dropping out of the market for these emergency products is attributed, in part, to the U. S. government ruling limiting size of inventories to prevent hoarding. Another factor is a wider appreciation of the fact that the so-called paper shortage in the U. S. has been exaggerated.

At the moment, therefore, the Canadian industry does not anticipate an increase in demand for 1942. Even if requirements do increase, any advance can be readily taken care of through bringing into operation the 25% surplus capacity.

Looking to the future, there are a number of factors which will or may have a bearing on operations and ability to deliver newsprint paper.

Transportation is, as one executive described it, in "the lap of the gods." The car supply situation in the United States is tight; it is also tight in certain areas of Canada.

This is due principally to the movement of war goods and supplies. The U. S. railways are optimistic as to their ability to handle the traffic offering, provided cars are unloaded quickly, but there is a belief in some quarters that U. S. rail officials have underestimated the size of their job for 1942.

Wood and Labor

The newsprint mills are not concerned about the supply of labor in the mills. Nor is the supply of labor in the woods causing undue concern at the moment. The wood supply for this year is adequate. As regards the 1942-43 season, it is anticipated that, at the very worst, the shortage will amount to not more than 10%.

Power is the crux of the situation, being even more important than transportation or labor.

The pulp and paper industry represents the only giant source in Canada from which large blocks of power can be secured without bringing new power plants into operation.

The power supply is tight, desperately tight, in some areas. The pulp and paper industry, and especially the newsprint division, may be asked to give up part of its power load for war purposes.

The capacity of the Canadian newsprint industry is 4.5 million tons annually. Anticipated demand in 1942 is around 3.4 million tons. In theory, then, the industry can give up the power represented by the 1.1 million tons of capacity which is not now used on newsprint.

Near War Industries

In the event the industry has to give up power, the energy would be taken from those mills in or near areas where large war industries are located and where the need for power is greatest.

At once this affects a large share of the newsprint industry.

A survey shows that of the maximum tonnage which might possibly be affected, Quebec has in the neighborhood of 1.9 million tons and Ontario 450,000 tons, or 2,350,000 tons in all.

The Quebec tonnage centres in the Saguenay, St. Maurice Valley and Ottawa-Gatineau areas.

The Ontario tonnage is primarily located on or near the St. Lawrence River.

This 2,350,000 tons of newsprint capacity in the war areas of Quebec and Ontario represents 760,000 h.p. of hydro-electric energy; 615,000 in Quebec and 145,000 in Ontario.

Dislocation Too Wide

If all this newsprint capacity were forced to close down in order to divert power to war industries, the industry would be short 1,250,000 tons of meeting the demand for paper in 1942.

Such a development is most unlikely because certain communities are wholly dependent upon the newsprint industry. For example closing the Dolbeau plant of Lake St. John Power and Paper Co. would cause an economic dislocation at a cost out of all proportions to the benefit which might be attained through transferring the power used elsewhere. The same condition applies to other communities.

Can Still Meet Demand

On balance, if 50% of power is taken away from the Quebec and Ontario areas mentioned, the available newsprint capacity could still supply all demands except for emergency products.

This would release a huge block of power; equal to all the power required to meet the needs of a city the size of Toronto.

The divergence of power from newsprint to war industries is not going to happen over night. It is a possibility and one which must be faced.

If it is found necessary to go to such extreme lengths as diverting 50% of the supply now used in the Quebec-Ontario areas mentioned, the Canadian newsprint industry could still provide all the paper needed by the publishing industry on this continent and elsewhere, provided the publishers refrain from hoarding and co-operate with the manufacturers in maintaining orderly marketing arrangements.

Seek Payment By Abitibi

Bondholders Ask Another 10% Principal Payment from Courts

Application is being made to the Ontario courts by Montreal Trust Co. for payment of a further 10% on the 5% bonds of Abitibi Power & Paper Co. Action is being initiated by the bondholders' protective committee, headed by H. J. Symington, K.C. The requested 10% will apply on principal of the bonds and not interest and it is expected that it will accordingly not be subject to income tax.

This payment will follow 13% paid Oct. 15, 1941, making a total of 23% principal repayment which bondholders will have received, if and when the latest request is approved by the courts. It will make a total of $11.1 millions repaid on principal, $6.3 millions last year and $4.8 millions in the latest request. Bonds outstanding will be reduced to $37.2 millions following the proposed payment.

It is understood that the request for another payment on principal has nothing to do with the liquidator's appeal against the bondholders' sale order. Judgment on this appeal has been reserved by the Ontario Court of Appeals:.

Decision to ask for repayments on principal rather than on unpaid interest is claimed to be due to the possibility that final settlement would find insufficient assets to repay bondholders in full, plus unpaid interest. Thus if early payments had been on account of interest, bondholders would be required to pay income taxes on sums which were not actually income at all but principal repayments. The unpaid interest remains undisturbed and interest on this interest can continue to accumulate. If and when this interest is paid, it will presumably be subject to taxation.

It is understood that the 10% payment will use up most of the current large operating profits of Abitibi and is the maximum amount which the Foreign Exchange Control Board would permit to be paid at this time. Substantial amounts of Abitibi bonds are held in other countries, requiring foreign exchange for payment.

St. Lawrence Paper Mills Has Good First Quarter

MONTREAL.—Operations of St. Lawrence Paper Mills for the first quarter of the current year are satisfactory, A. K. Cameron, chairman of the board, told shareholders at the annual meting.

In answer to a shareholders' question regarding recapitalization, Mr. Cameron stated that nothing could be gained from recapitalization at this time and distribution to preferred shareholders would be as earned.

N. B. Forests Boost Output

Products Valued at $42 Millions in 1941; Pulp Plants Active

From Our Own Correspondent

MONTREAL. — New Brunswick's forest products in 1941 had a value of $42 millions, an increase of more than $1 million over the returns from 1940, according to the Hon. F. W. Pirie, Minister of Lands and Mines.

The value of forest products exported last year was $31.3 millions, not including about 60 million feet of Douglas fir and other western species valued at $1.4 million. All consumption rose sharply and products used in New Brunswick or sent to other parts of Canada are estimated at a value of $11 millions.

Pulp Mills Active

During the past year the six pulp and paper mills of the province used 792,000 cords of pulpwood, operating to about 92% of rated capacity.

Pulpwood exports amounted to 403,000 cords, of which 31,000 cords were hardwood. These figures exceed the average from 1933 to 1940 by about 40% and the 1941 total was the largest on record.

The total quantity of pulpwood manufactured and exported from the province last year was 1,194,909 cords, an increase of 68,539 cords over the output of 1937, the best previous year.

Cut Slightly Smaller

Total cut of saw logs, veneers logs and piece products such as ties, poles and filings from Crown lands during the year ended Aug. 1, 1941, was 130.9 million feet board measure. This was about six million feet less than for the previous year but 18 million more than the average for the previous five years.

Total production of sawn lumber during 1941 was estimated at about 380 million feet, slightly less than 1940.

A. H. Elder, K.C., was appointed executive vice-president of Canadian Bronze Co. at the annual meeting. Shareholders approved the report and directors were re-elected.

NEW COMPTROLLER

George Vale has been appointed comptroller with the Trusts & Guarantee Co. Mr. Vale joined the company in 1929 and has been service manager since 1930.

Company Reports

Melchers

Melchers Distilleries Ltd. reports substantially higher earnings in 1941, operating profit totalling $238,875, against $167,159 in 1940 after all charges net was equal to 69 cents a share on the $10 par value preferred, compared with 68 cents in 1940.

Working capital at the end of 1941 was $673,219, against $646,525 at the end of 1940. Principal changes were an increase in bank loans and inventories.

Particulars of the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	238,875	167,159
Less: Depreciation ...	61,980	21,290
Tax provision	90,000	60,000
Net profit	86,895	85,869
Less: Pfd. dividends ..	75,000	75,000
Surplus for year	11,895	10,869
Add: Prev. surplus* .	101,888	93,098
Surplus forward	113,783	103,967
*Adjusted.		
Working Capital		
	$	$
Current assets	1,111,712	897,592
Current liabilities	438,493	251,067
Working capital	673,219	646,525
Balance Sheet Changes	1941	1940
	$	$
Inventory	868,666	640,251
Bank loan	175,000	125,000
Accts. payable	89,546	41,142

Fraser Cos.

Fraser Cos. reports a consolidated operating profit in 1941 of $5.2 millions, compared with $3.3 millions the year before. After prior charges, including a special inventory reserve of $438,131, net profit was $2.4 millions, compared with $679,737 in 1940. Share earnings are not indicated as the company has only set up a tentative figure for taxes pending a decision by the Board of Referees.

During the year a special loan of $1.2 millions was liquidated and bonded debt reduced. Fixed liabilities decreased by $2.4 millions while $408,068 was spent on plant and properties. Despite heavy outlay working capital of $3.6 millions was only $300,000 lower than a year ago.

Comparative figures in the profit and loss statement follow:

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	5,196,281	3,330,345
Less: Exec. salaries & legal fees	78,390	106,954
Directors' fees	1,300	1,750
Sundry interest	6,042	66,911
Specl. loan interest .	31,710	44,441
Bond interest	661,463	748,526
Depreciation	1,203,000	1,203,500
Depletion	343,294	478,526
Inventory res.	438,135	......
Net profit	2,432,948	679,737
Tax provision	▪	310,500
Net profit	▪	369,237

▪Pending a decision by the Board of Referees on the claims of Fraser Cos. and Restigouche Co. for adjustment of standard profits, directors state it is impossible to determine what the actual excess profits tax will be; a tentative provision of $2 millions for income and excess profits taxes has been set up as a current liability, being transferred from surplus rather than from income and expenditure account. Under the circumstances, it is not possible to show 1941 net profit after income and excess profits taxes.

Working Capital	1941	1940
	$	$
Current assets	6,978,350	6,958,365
Current liabilities	3,312,887	2,992,439
Working capital	3,665,463	3,965,926
Balance Sheet Changes	1941	1940
	$	$
Accts. receivable	1,617,490	1,358,298
Inventories	3,052,608	3,483,942
Accts. payable	740,105	1,664,595
Pay. timber limits ...	240,000	......
Special loan	......	1,200,000
Mortgage bonds	5,905,500	6,695,000
Restigouche bonds ...	3,668,500	4,087,000

Hamilton Cotton

Production and sales have again increased for Hamilton Cotton Co., states Alan V. Young in the report for the year ended Dec. 27, 1941. Anticipation is for a continuation of this demand with a growing portion to meet national requirements. There has been no shortage of cotton, the company's basic raw material, but the supply of rubber thread is now cut off and it will not be possible to continue the manufacture of elastic fabrics when present supplies are exhausted.

During the year regular quarterly 50-cent dividends were paid along with $2 in extra payments. A further extra of $1.25 per share was declared payable Jan. 2, 1942. This leaves arrears on the preferred at $2 per share as of that date.

Net per common share was $4.97 against $5.06 in 1940 after provision for regular preferred dividend payments.

Balance sheet shows inventories over $400,000 higher on the year at $1.3 million. Biggest change among current liabilities is that of around $180,000 in accounts payable to a total of $258,779.

Income and Surplus Account
Years Ended

	Dec. 27 1941	Dec. 28 1940
	$	$
Operating profit	798,988	805,658
Add: Inc. from invest.	2,444	1,560
Net earnings	801,432	807,218
Less: Depreciation ...	214,457	247,458
Exec. remuner. ...	49,091	48,739
Bond interest	41,234	42,173
Taxes	359,500	329,500
Dirs. fees	1,400	1,400
Net profit	135,751	137,948
Less: Pfd. dividends..	72,575	73,362
Surplus on year	63,176	64,586
Add: Prev. surplus ..	504,678	440,092
Surplus forward	567,854	504,678
Earnings per share:		
Preferred	$7.49	$7.46
Paid	4.00	4.00
Common	4.97	5.06
Paid	nil	nil
Working Capital	1941	1940
	$	$
Current assets	1,918,016	1,503,185
Current liabilities	775,636	507,014
Working capital	1,142,380	996,171

Stedman Bros.

Increases in the cost-of-living bonus, loss of experienced employees and the general turnover of labor has increased the cost of doing business, states S. W. Stedman, president, in the 1941 report of Stedman Bros. Ltd. He adds that the ceiling placed on retail prices has made profitable merchandising very difficult, and obtaining many lines of merchandise is a serious problem.

In the opinion of company directors the strong liquid position of the company should be maintained as far as possible, and for that reason the usual bonus has been reduced to 30 cents.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net oper. profit	752,322	587,388
Less: Depreciation ...	44,549	36,768
Taxes	345,000	230,000
Inventory reserve .	50,214	43,965
Net profit	303,559	274,685
Less: Pref. divds.	18,000	18,000
Com. divds.	108,000	108,000
Surplus on year	187,559	148,665
Add: Prev. surplus ..	1,103,522	959,058
Tax adjust.	15,991	11,948
Ins. surr. value inc.	4,962	315
Less: Ins. prems. paid	3,662	3,662
Real est. res.	31,200	28,509
Loss on bonds	......	187
Surplus forward	1,267,171	1,103,522
Earnings per Share:		
Preferred	$50.59	$45.78
Paid	6.00	6.00
Common	3.17	2.85
Paid	1.20	1.20
Working Capital		
	$	$
Current assets	1,585,876	1,344,404
Current liabilities	207,477	112,835
Working capital	1,378,409	1,231,569

Watching Savings in Paper Will Help Avert Rationing

A few of the many ways in which printers and advertisers can get more value out of less paper are pointed out in the latest issue of Provincial's Paper, a publication by Provincial Paper Co.

At present Canadian paper mills are attempting to meet greatly increased demands for paper and paper products while also diverting quantities of basic paper making chemicals. such as chlorine, to other vital war requirements. Their machinery is working to capacity, 24 hours a day.

These efforts have not been sufficient to eliminate need to cut down number of colors and finishes in paper. Now an actual shortage and consequent rationing can only be prevented by action by everyone in the printing and allied trades. Paper must be conserved; waste must be eliminated.

A few of the specific ways in which paper wastage can be reduced, according to Provincial Paper, are:

(1) Designing booklets and folders to cut evenly from standard size sheets and to avoid waste through faulty printing. Use minimum size of borders.

(2) Make certain that the proper type of plates and engravings are used for the job to be done and that inks are adapted to the work. Get the assistance of ink company experts rather than experimenting in ways which result in wasted jobs.

(3) Make certain that the stock used in proving color plates is identical to that on which the job is to be run.

(4) Leave paper in its package until a job is ready to go to press and pile paper carefully to avoid overhanging edges. Keep stock piles of paper covered and do not let salesmen waste sample sheets.

(5) Keep printing and bindery equipment clean and use waste stock to make certain all dust and oil is thoroughly removed.

These are a few of the ways in which printers and users of paper can cut down wastage. Others will probably occur to many in the trade. Through elimination of waste our supplies of paper can be made to go a lot further.

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MONTREAL TORONTO HALIFAX
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JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

• MEMO TO ADVERTISERS

Questions and Answers
about Newspaper Advertising

Q. *Do you know of any measure for the value of newspaper circulation to an advertiser such as the standards that a business man uses in buying merchandise?*

A. Yes. In the well-known standards that have been approved and adopted by advertisers—namely A.B.C. standards.

Q. *What is A.B.C.?*

A. A.B.C. stands for Audit Bureau of Circulations, a cooperative association of 2000 advertisers, advertising agencies and publishers in the United States and Canada.

Q. *What is the Bureau's work?*

A. To audit the circulation of newspapers and periodicals so that advertisers can buy space on the basis of definite standards and verified facts and figures.

Q. *How does A.B.C. accomplish this?*

A. The Bureau has a large staff of experienced auditors. These men visit the publisher members annually and make audits of their circulation records. This information is then published in A.B.C. reports for the use and protection of advertisers.

Q. *What do these reports show?*

A. A.B.C. reports tell how much circulation a newspaper has, where this circulation is, how it was obtained, how much people paid for it, and many other verified facts that advertisers should know when they buy advertising.

Q. *Are all publications eligible for A.B.C. membership?*

A. No. Only those with paid circulation. This is important to advertisers because it is the best proof of interest and purchasing power on the part of the readers.

Q. *Is this newspaper a member of the Audit Bureau of Circulations?*

A. Yes. We are proud of our circulation and we want our advertisers to know just what they get for their money when they advertise in our columns. The audited information in our A.B.C. report gives them the complete facts.

THE FINANCIAL POST

ABC *This newspaper is a member of the Audit Bureau of Circulations. Ask for a copy of our latest A. B. C. report giving audited facts and figures about our circulation.*

A. B. C. = AUDIT BUREAU OF CIRCULATIONS = FACTS AS A MEASURE OF ADVERTISING VALUE

Author Charges No Initiative Here

MacCormac Says Canada Has Abdicated Her Role

AMERICA AND WORLD MASTERY. By John MacCormac. Published by Wm. Collins Sons & Co., Toronto. Price $3.50.

That the Canadian government has shown a "complete lack of initiative in this war" is the charge made by John MacCormac, formerly Canadian correspondent of the New York Times, in his newest book, "America and World Mastery."

Canada, he contends, has "abdicated" her role as mediator between Great Britain and the United States. She is, he thinks, no longer the keystone in the world-spanning arch of the English-speaking peoples.

Canada's relative importance in the British Empire could have been increased by the war and would have so increased had we had such a leader as Menzies of Australia, Mr. MacCormac feels. But he is of the opinion that Canada has not gained in such importance and prestige; rather that it has lost.

Says Contribution Big

Mr. MacCormac pays high tribute to Canada's contribution in terms of financial sacrifices, soldiers, munitions and airmen, but he feels that Canada has lost out in terms of international influence because of the isolationism inherent in the policies of Mr. King's government. He paints Prime Minister King as a sort of arch-isolationist of North America. He accuses the Prime Minister of having delayed his declaration of war until forced by public opinion; and of having whittled down the Empire Air Training Plan from the more ambitious proportions in which the British government envisaged it.

Mr. MacCormac also puts on the record statements by Col. Reynolds, of the Canadian Corps, and W. D. Herridge about alleged attempts by Mr. King to obtain British consent to a limited war effort by Canada. These statements provide somewhat dubious evidence but to Mr. MacCormac the important fact is that they have never been denied by the Prime Minister.

Mr. MacCormac repeats the statement that instead of Quebec using Mr. King to block an all-out war effort, Mr. King had used Quebec to the same end.

"Wait Till Forced"

Mr. King's tactics, thinks this author, were to do nothing that public opinion did not force him to do. His strategy seemed to be to keep Canada's war effort, in so far as he could control it, from getting ahead of the United States'.

Mr. MacCormac's conclusion is that while Canadians have made notable sacrifices in the war, they have not gotten full credit for them because of certain isolationist tendencies in the government's thinking and policies.

Says Mr. MacCormac:

"In the first World War Canada played a role in the British Empire second only to that of Great Britain. Her example had a powerful effect on public opinion in the United States. In this war, she had two tasks to perform. One was to cultivate the closest possible relations with the United States. The other was to take her place in the forefront of the fight, confident that she would emerge from it, as she did from the last, with increased power and prestige. She should have been prepared at last to shake off her colonial habits of thought and action and not only to participate but to lead.

Isolationist Dominate

"She did nothing of the kind. The Canadian nationalists who dominate her present government demonstrated instead that they were as colonial-minded as Canadian imperialists of the old 'who-dies-if-England-lives?' school. When it was asked why, after three years of war appropriations, the first Canadian contingent had been sent to Britain insufficiently clothed and insufficiently armed, the answer of the Canadian government was that it had done all Britain has asked it to do and that if equipment was lacking it was because Britain, after promising to supply it, had failed to do so.

"This answer may have been true enough. For the Chamberlain government in England to make promises it could not carry out was to be consistent. But for Canada to accept such promises at their face value, when the Chamberlain government was constantly under fire at home because of its inability to organize British rearmament, was not consistent with Canadian nationalism or adult behavior. Against the charge that two years after the war began it was still unable to turn out complete warplanes, the Canadian government defended itself with the statement that British manufacturers were reluctant to share orders with Canadian factories or supply blueprints. A Canadian government which really wanted to play its part in a war that all men knew was coming could have ridden roughshod over the hesitations of British manufacturers. . . .

Full Credit Here

"Prime Minister Mackenzie King must be given full credit for being the first Canadian leader to preach and practice the closest possible relations with the United States. Canada, as a member of the Joint Defense Board, is not only an ally of the United States in the defense of the Western Hemisphere, but has become an economic partner through the instrumentality of a joint Materials Co-ordinating Committee. . . .

"The basis of a more permanent continental economic integration has been laid in the creation of joint economic committees to report on the achievement of 'a more economic, more efficient and more co-ordinated utilization of the combined resources of the two countries in the production of defense requirements.' It is understood that what the State Department had in mind in setting up the committees is a body which will continue to function after the war. Its effect will be to bring Canada further within the economic orbit of the United States.

"Canada is now wholly within the strategic orbit of the United States. Because of her government's complete lack of initiative in this war, because Mr. Mackenzie King took the attitude that Britain's possessions in the Western Hemisphere were not the concern of Canadians, Canada now finds the St. Lawrence commanded by an American naval base in Placentia Bay, Newfoundland.

Abdicated her Role

"Canada's abdication from her role of mediator between Great Britain and the United States, her position as keystone in a world-spanning arch of English-speaking peoples, is a misfortune in more ways than one. . . .

"That her government should have begun to feel that Canada is a purely North American nation just when Americans have begun to feel that the United States is a great world power may prove to be one of history's ironies of mistiming. . . . Canada's attitude is an invitation to the United States to practise American imperialism. But the United States has a bigger game on: her chessboard must be the whole world."

Mr. MacCormac is the man who wrote "Canada: America's Problem," a best seller of a year ago. The thesis of his newest volume is that the United States has had cast upon it, by the war, world responsibilities that it can not evade. "Some nations have imperialism thrust upon them." America must not only head up the effort to win the war but run the world after the war.

Must Co-operate

This, he thinks, can best be done in co-operation with Britain. America must co-operate with Britain or become a great imperial power and itself perform those coercive acts for which Americans have often reprehended Englishmen.

Mr. MacCormac's best chapters are those in which he interprets the English character to the American people. He sees no clash of material interests between Britain and the United States; the barriers are psychological. His volume will help in a small way to break down those psychological barriers. But in calling Americans' attention to their new role in world affairs he is on more solid ground than in the citation of occasionally doubtful evidence to prove that Canada's prime minister is "King of isolationists."

Sharp Wool Cut Not at Hand Here

Future Hangs Largely on Pacific Shipping Situation However

No such drastic reduction in the use of high-grade new wool for civilian clothing as has been ordered for the U. S. industry appears to be immediately in store for Canada. Prime reason for this country's better position in wool is the fact that steps to economize use of the material have been going on since the start of the war while Canadian mills are now taking in their stride requirements for the military services. The expansion of the American armed forces has created a very heavy demand for uniforms resulting in sharp reductions of civilian supply, a problem solved by the Canadian industry many months ago.

The War Production Board at Washington has reduced the wool allocations for civilian orders during April, May and June to 20% of the amount used for worsted cloth during the comparable period last year and 10% of the amount used for woollens.

So far as future supplies of wool for Canada are concerned much will depend on the Pacific shipping situation. Canada produces only around 15% of its own wool needs, with most of the balance coming from Australian. A close degree of co-operation is being maintained with Washington on the matter.

Trail, B.C.—Sinking fund assets as of Dec. 31, 1941, were in excess of requirement by $26,438, according to the annual revenue and expenditure statement.

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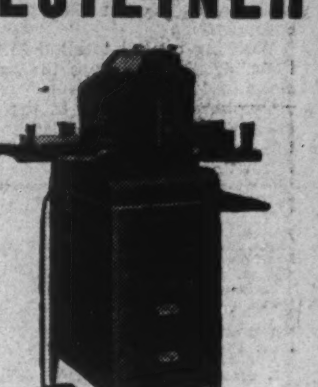

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Can. Vickers

Will you please give me some information about Canadian Vickers 6% bonds? Is there a fair chance of the arrears being paid in the near future?

The position of Canadian Vickers Ltd., especially in respect to 6% bonds, has undergone a marked improvement as a result of wartime conditions. Plant operations have been at capacity since the outbreak of the war, and there has been a considerable expansion in productive facilities. As a result, net profit for 1940-41, before income and excess profits taxes which were left in abeyance pending clarification of the company's position as a depressed industry, amounted to $372,632. This compares with a net loss of $6,827 in 1939-40. Working capital at Feb. 28, 1941, totalled $1.4 millions, compared with $463,118 at the end of the previous year. Both the position and outlook for the company appear promising, at least for the duration of the war. There has been no further word about the reorganization plan. It is likely any action along that line will be deferred until such time as it is possible under more normal conditions.

I.H.E. System

One of our customers holds a number of International Hydro Electric bonds which have dropped considerably below par. She is in doubt whether to sell at the present time and take her loss, or to hold on for a possible improvement in price. Can you give us an opinion as to the cause of depreciation of these bonds and prospects for the future?

Decline in the value of International Hydro Electric System 6% debentures has been predicated upon two factors: (1) The anticipated difficulty of paying off the debentures when they mature in 1944, and the likelihood of a reorganization before that time; (2) decline in earnings, and the fact that debenture interest may be deferred. Allowing for these two factors, the debentures would appear to be conservatively if not undervalued. Revenue from the New York properties and on stock holdings in Gatineau Power Co. in 1941 were about $300,000 less than required to meet full interest charges and expenses. This meant the company had to draw upon its cash reserves to that extent and reduce the former to about $600,000. Obviously the system cannot continue to carry on indefinitely paying full interest on the debentures. Accordingly, a plan of reorganization is expected before long.

Northern Can. Mtge.

As a subscriber to your paper will you please give me some information regarding the present financial standing of Northern Canadian Mortgage Co.? Does it pay dividends?

Northern Canadian Mortgage Co. Ltd., with head office in Winnipeg, Manitoba, is capitalized at 9,526 fully paid $25 par preferred shares and 3,450 partly paid preferred shares, on which approximately $24.50 has been paid. In addition there are 13,618 shares of common stock of no par value outstanding. The preferred stock is entitled to 6% cumulative dividends, of which none have been paid since 1932 with the exception of a 1% disbursement made July 1, 1941. Taking this payment into account, arrears at that date amounted to $14 per share. No dividends have been paid on the common since the company was reorganized in 1931.

In last three business years ending March 31, the company has been able to show earnings on its preferred stock—46 cents in 1941; 25 cents in 1940; and 21 cents in 1939. Through gradual liquidation of mortgages and other assets, the company has been able to redeem some of the outstanding preferred.

Algoma Steel

Do you think there is much possibility of Algoma Steel paying a common dividend in the reasonably near future?

Algoma Steel Corp.'s problem for some time past has been how to get enough steel products produced rather than finding a market. So far as can be told at present this condition is likely to last for the duration of the war. It apparently means capacity operations and continuous expansion of plant. A new 44-inch blooming mill and a 25-inch continuous billet mill are starting operations. In addition, work is under way on a programme to increase pig iron productive capacity by about two thirds. Present annual capacity is 675,000 gross tons with the new additions to add some 450,000 tons.

Last year Algoma Steel reported sales of $25.1 millions, up 54.5% over the previous year. Earnings were $1.96 a common share against $1.62. It is hard to say when the company might start payment of common dividends. The continuous expansion of facilities made necessary by wartime demands has meant fairly heavy bank loans and the company has serial bonds maturing at the rate of $200,000 annually to Nov. 1, 1944. Need for working capital because of the enlarged scale of operations and the bond maturities might be an argument for deferring the initial payment of dividends on the common stock.

Orange Crush

What is the outlook now for Orange Crush? Do you think there are any chances of having the preferred dividend resumed?

Imposition of the one cent a bottle tax on carbonated beverages brought a sharp slump in sales after last June up to which time sales had been increasing very rapidly. We are informed that there has been a recovery from the initial shock of this tax, and that sales are again showing above the corresponding period of last year. On the other hand, all costs of operating and producing the Orange Crush beverages have risen, and the margin of profit has been reduced. In the year ended Oct. 31, 1941, it has been officially stated that the company operated at a loss.

Orange Crush, together with other soft drink firms, is in the unfortunate wartime position of being classed as a non-essential industry. Under these circumstances, although supplies of bottles, bottle tops, sugar and other materials are still readily available, it is impossible to predict what further inroads may be made on the company's business by governmental restrictions. Sugar restrictions have just been imposed.

There is a precedent established for a continued favorable treatment which has been accorded the industry in England. But it must be borne in mind that so long as the war lasts no one can predict the outlook for the company with any degree of accuracy. On the other hand, we are informed that sales of Orange Crush have maintained their relative position in the industry and presumably at the end of the war the company will then be in a reasonably strong position to carry on normal business.

Life Insurance Sales Gain 52% in January

New ordinary life insurance sold in Canada and Newfoundland, in January, amounted to $43 millions, an increase of 52% over the same month last year. All provinces as well as Newfoundland showed increases.

AIRWAYS MANAGER

James E. Middleton has been appointed manager of Canadian Colonial Airways Ltd., with headquarters in Montreal. He will also act as Canadian traffic manager for the incorporated company.

Controls Cut Down Refrigerator Sales

Unit sales of household refrigerators in Canada in 1941 at 57,400 compare with 61,912 the year before.

Wartime control of sales is better reflected in the December return, which shows sales of 1,462 units, as against 3,139 units in December, 1940.

Your Income Tax

Deadline for income tax returns is March 31, a month earlier than usual. In this weekly column, The Financial Post answers the problems you may have in computing your tax.

Income of $2200

I have a total income of $2,200 made up from salary and investments. I am a married man and have three small children. What national defense tax and income tax should I pay on my 1941 income?

As regards income tax you are exempt $1,500 as a married man and $400 for each child. This gives you total exemption of $2,700. As your total income is $2,200, you have no income tax to pay. Your national defense tax is payable on your total income. The rate was changed from 2% to 5% for a married person in 1941. It works out accordingly at 3½% for the full year. Your national defense tax therefore will be 3½% of $2,200 or $77. But you are entitled to an allowance of $14 from the amount of tax payable for each dependent child in 1941. Accordingly your national defense tax is $77 less $42 or $35.

* * *

Supporting Sister

For years I have been paying $75 a month to the maintenance of my widowed sister who lives with her daughter. I do not live with them. My sister owns her residence and rents part of it. In 1941 her rentals were $405 and taxes, fire insurance and interest on loan total $378. They have no other revenue. Can I obtain an exemption on my income tax for 1941 for my contributions? I have never asked any exemption in the past.

Your problem has several angles to it and would best be taken up with the income tax authorities direct. You would however appear to be entitled to exemption of $400 on your income tax for your sister and also to an allowance of $14 on your national defense tax payable in 1941. If you are a single man, it might be to your advantage from a tax standpoint to live with your sister. You could then claim the $1,500 exemption as a householder supporting a dependent relative and you could also claim exemption of $400 for your niece. Your national defense tax payable would also be subject to the deductions allowed in such cases.

* * *

Annuities Exemptions

Please tell me what Dominion government annuities are exempted from income tax?

Dominion government annuities, contracted for before May 26, 1932, are free of income tax up to $5,000. Those contracted for after that date and before June 25, 1940, were exempted up to $1,200. Annuities contracted for after June 25, 1940, are not exempt.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg.,
Toronto — AD. 5457

How a Serious Stoppage of Production Was Avoided

SOME time ago, one of the Company's inspectors was consulted about a serious failure to the stator winding, accompanied by extreme burning of the iron, of a 450 H.P. Hoist Motor located at a mine in the Province of Quebec. When the coils were removed it was found that the condition of the iron was much more serious than at first expected. In three of the slots the iron was badly burned for about the width of the laminations as well as in one of the rows of teeth about eleven slots from this point.

As the motor was badly needed, this condition made it necessary to reach a quick decision as to whether or not a reasonably reliable repair could be made to expedite the return of the motor to service and defer permanent repairs until some future time when loss of production might not be involved.

Our inspector suggested temporary repairs by removing three rows of teeth of the laminated core and substituting dummy coils, as well as cutting out coils at two other points in order to balance the phases and to avoid serious circulating current. After all necessary tests had been made the stator was returned to the mine and the operation of the motor was continued for between five and six weeks until a new stator could be obtained and installed. The knowledge of this Company's inspector, which made possible the effecting of swift, temporary repairs, thus avoided a serious stoppage of production.

This case will demonstrate to plant owners the value of the breadth and character of the inspection service of the Boiler Inspection Company—a service based upon the studies and accumulated knowledge of an organization that has specialized in this one type of insurance for 66 years.

The exclusive benefit that comes from this sort of exact specialized study can be regarded as one of the many reasons why Canada's industrial leaders place as much power plant insurance with The Boiler Inspection Company as they do with all the remaining companies writing the same kind of insurance, combined.

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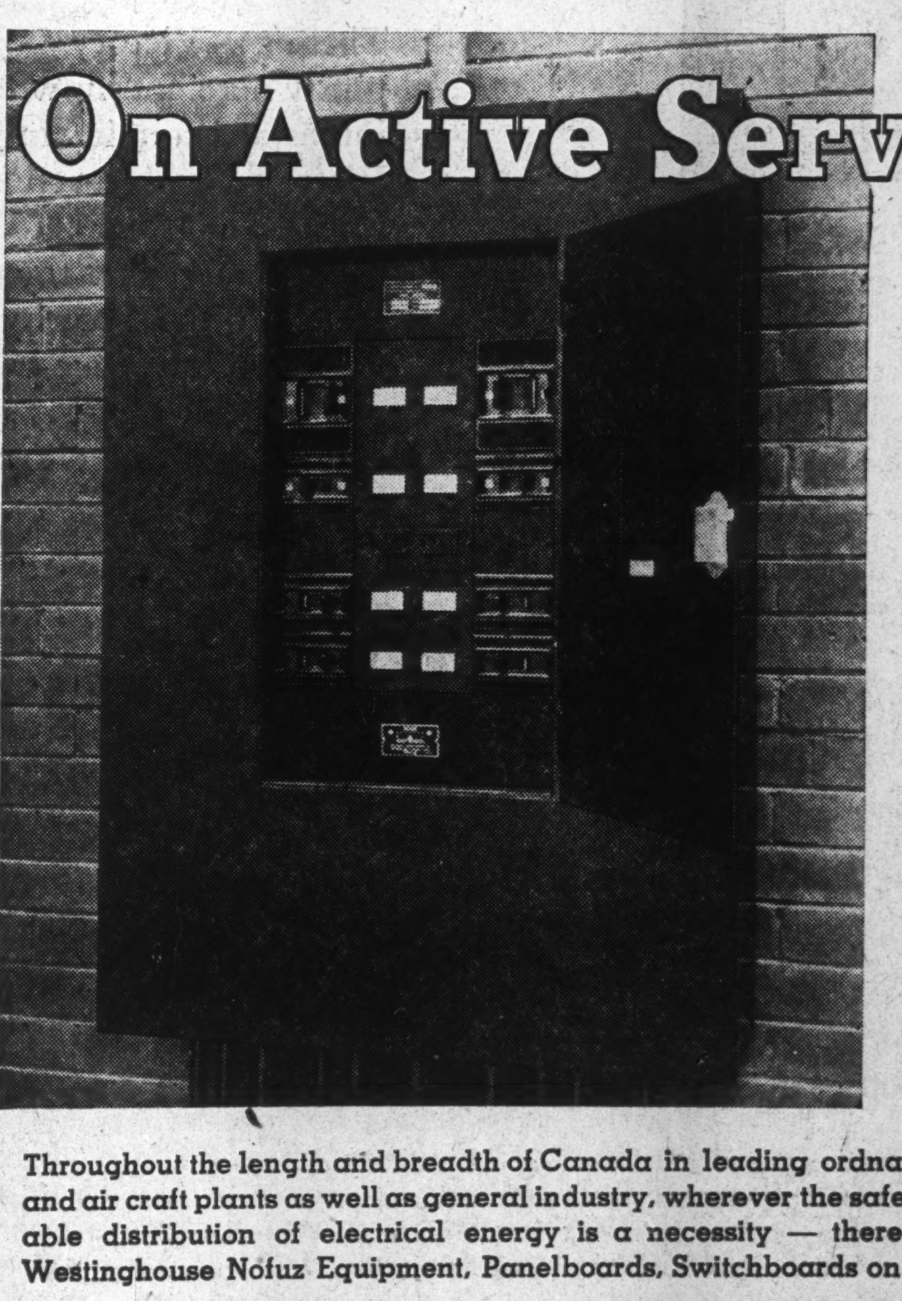

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Company Reports

Canada Wire

Canada Wire & Cable Co.'s statement for 1941 shows gross income of $3.7 millions, an increase of $1.4 millions over that reported the year before. Net profits after taxes and other charges were $1 million, or $300,000 more than in 1940. Earnings on the "B" stock totalled $4.90 a share, as against $2.91 the year before.

Working capital totalled $4.4 millions, or $600,000 more than at the close of 1940.

Comparative figures in the profit and loss statement, together with the major balance sheet changes, follow:

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	3,740,579	2,308,376
Less: Depreciation	424,112	391,440
Exec. salaries	92,342	79,793
Directors' fees	10,850	4,958
Tax provision	2,170,128	1,089,000
Net profits	1,043,147	743,185
Less: Pfd. divds.	185,679	186,247
A dividends	118,672	118,674
B dividends	301,328	188,329
Surplus	437,468	249,935
Add: Prev. surplus	1,284,265	1,034,330
Surplus forward	1,721,733	1,284,265
Earned on B stk.	$4.90	$2.91
Paid	2.00	1.25

Working Capital

	1941 $	1940 $
Current assets	6,860,179	5,210,826
Current liabilities	2,422,334	1,387,473
Working capital	4,437,845	3,823,353

Balance Sheet Changes

	1941 $	1940 $
Cash	1,214,511	825,761
Accts. receivable	2,054,635	1,304,641
Inventory	3,287,352	2,776,582
Accts. payable	481,132	286,785

Windsor Hotel

Windsor Hotel Ltd. reports earnings in 1941 of $187,328, against $162,670 in 1940. After bond interest and depreciation net loss on the year's operations of $10,971 compared with $41,343 in 1940.

Working capital improved from $216,268 to $277,023. This was reflected mainly in advanced inventories and investments.

Details of the income and surplus account follow:

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net revenue	187,328	162,670
Less: Bond interest	98,299	104,013
Depreciation	100,000	100,000
Net loss	10,971	41,343
Add: Prev. deficit	122,180	122,629
Less: Profit sec. sale	4,864	10,425
Profit bonds red.	32,039	31,367
Adjustments	14,915	......
Deficit forward	81,333	122,180

Working Capital

	$	$
Current assets	427,612	388,687
Current liabilities	150,589	172,419
Working capital	277,023	216,268

Balance Sheet Changes

	1941 $	1940 $
Cash	75,586	116,810
Investments	*158,161	144,175
Inventories	173,780	95,743
Bonded debt	2,281,825	2,351,825

*Inc. $118,534 of company's own bonds.

Woods Manufacturing

Woods Manufacturing Co. reports gross income in 1941 of $837,667 against $550,184 in 1940. After substantially higher provision for depreciation, inventory depreciation and taxes, net profits of $114,883 were equal to $4.62 a share on the preferred against $55,599 or $3.64 on the preferred in 1940.

Working capital increased by around $360,000 to $1.5 millions.

The principal changes in the balance sheet, together with details of the income and surplus account follow:

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	837,667	550,184
Less: Exec. salaries	32,563	28,430
Directors' fees	460	560
Bond interest	22,000	23,200
Depreciation	221,683	119,095
Bond discount	2,345	2,345
Invent. deprec.	212,734	180,954
Tax provision	231,000	140,000
Net profit	114,883	55,599
Add: Prev. surplus	524,570	468,970
Less: Add. deprec., /40	60,118	......
W/o patents	5,000	......
Surplus forward	574,334	524,570
Earned pfd. share	$4.63	$3.64

No dividends paid.

Working Capital

	1941 $	1940 $
Current assets	3,265,464	2,342,440
Current liabilities	1,734,578	1,170,510
Working capital	1,530,886	1,171,930

Balance Sheet Changes

	1941 $	1940 $
Accts. receivable	888,905	641,785
Inventory	2,241,672	1,616,787
Funded debt	495,000	540,000
Accts. payable	1,410,192	452,651
Bank loan	......	508,000

N. B. Telephone

New Brunswick Telephone Co.'s financial statement for 1941 shows operating income at a record figure just short of $1.9 millions, a gain of $281,000 over 1940. Net profits after taxes and interest charges were equal to 62 cents a share against 52 cents in 1940.

At the year end 37,230 telephones were in operation; the largest number in the company's history. During the year 10,796 stations were connected and 7,675 discontinued, a net gain of 3,121 compared with 1,965 in 1940.

During the year 1,227,422 toll calls were recorded.

Heavy capital expenditures were carried out in 1941. This was reflected in bank loans and in issued pension fund notes.

Particulars of the profit and loss statement, together with the principal balance sheet changes, follow:

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating income	1,892,353	1,611,532
Less: Maintenance	302,991	288,974
Traffic expense	208,256	195,139
Com. expenses	96,392	85,359
General expenses	90,404	81,133
Other expenses	91,580	69,465
Depreciation	313,020	294,488
Income taxes	224,711	118,629
Other taxes	152,800	139,279
Add: Other income	2,262	5,532
Net revenue	414,461	344,597
Less: Interest chgs.	16,117	13,800
Net profit	398,344	330,797
Less: Dividends	318,604	318,286
Surplus	79,739	12,511
Add: Prev. surplus	140,314	127,431
Surplus forward	220,053	140,042
Earned per Share	$0.62	$0.52

Working Capital

	1941 $	1940 $
Current assets	591,506	430,311
Current liabilities	637,025	422,015
Working capital	*45,519	8,296

*Excess of liabilities.

Balance Sheet Changes

	1941 $	1940 $
Property account	8,586,064	8,226,696
Supplies	279,523	168,267
Pension fund notes	112,884	82,100
Bank loans	260,000	148,000

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3 By initiating your own sales organization among employees where it is physically impossible for the salesman to contact every individual.

4 By establishing a regular Payroll-Savings Plan whereby employees can buy their Victory Bonds over an extended period.

5 By being prepared to answer questions of employees as to the New Victory Bonds.

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A55

Buy the New VICTORY BONDS

NATIONAL WAR FINANCE COMMITTEE, OTTAWA, CANADA

Stanley Realty Calls Meeting

From Our Own Correspondent

MONTREAL.—Holders of the first and general mortgage bonds and ordinary creditors of Stanley Realty Corp. will meet in Montreal, March 13, to consider reorganization.

It is proposed the 7% first mortgage bonds, of which there are $368,500 principal amount outstanding, and on which interest is in arrears since Sept. 1, 1932, will receive 25% of the par value of their bonds in 6% income debentures.

The 7% general mortgage bonds, outstanding at $26,700 principal amount, will receive 10% of the face amount of their bonds in cash.

5% to Ordinary Creditors

Among the ordinary creditors of the corporation there will be distributed 5% of the amount of their claims in 6% income debentures, adjustments of small amounts to be made in cash at the same rate.

It is now proposed to raise a first mortgage on the property, the sum of $100,000 to be used to pay taxes, etc., amounting in all to approximately $85,000, and also to provide liquid funds for the corporation.

Foster Joins Board Of Brompton Pulp

From Our Own Correspondent

MONTREAL.—George B. Foster, K.C., of Montreal, has been elected to the board of directors of Brompton Pulp and Paper Co. Mr. Foster is a director of the Travelers Insurance Co., of Hartford, Conn., and a number of other companies.

Inter-State Royalty Corp. reports that at Dec. 31, 1941, investments in oil royalties had a book value of $1,131,482. Gross revenue from royalty income since acquisition amounted to $499,370 up to November 30, 1941, and reserve for depletion totalled $136,650 to the same date. In November last the company had a gross income from royalty and rentals amounting to $3,224 while accumulated income from the same sources for 1941, to the end of November, amounted to $44,580.

How Ready is B. C. for Raids?

Says Residents Feel Ottawa Lacks Enough Realism and Action

From Our Own Correspondent

VANCOUVER.—Canada came to grips with its Japanese problem on the west coast in more realistic fashion during the past week with the appointment of Austin C. Taylor as director of the evacuation of Japanese from the coastal area.

Serving with Mr. Taylor on a three-man board with sweeping powers are representatives of the Royal Canadian Mounted Police and the provincial police. An advisory committee of fifteen British Columbians representing industry, labor and various other interests has also been appointed.

After several false starts, the migration of Japanese from the coast has already got under way and several detachments have left for interior points where most of them will be engaged in road construction and other public works.

Fortnight For Job

Present indications are that within a few weeks virtually no Japanese, even women and children, will be living within the coastal zone described by Ottawa as a strategic area. The problem has been a difficult one, but the Japanese have shown a willingness to abide by the regulations without protest.

Imposition of a curfew law against Japanese and commandeering of all private or commercial automobiles held by Japanese will greatly restrict the activity, but the government evidently feels that anything less than arbitrary, all-embracing measures would be interpreted as discriminatory as between one group of Japanese and another.

There has been a great deal of confusing news from Ottawa in the past few months regarding the policy toward the Japanese, but it now seems clear that the restrictions will apply to naturalized Japanese as well as aliens, and of course alien Germans and Italians will also be affected, although their numbers are much less than those of the Japanese.

Whole Burden

One of the difficulties has been the reluctance of other sections of Canada to accept the Japanese. It looks as though most of them will have to be quartered west of the Rockies and that in many cases new accommodation will have to be provided for them.

All sorts of complications are likely to arise in connection with the movement of the Japanese, for in a sense it represents one of the greatest forced mass migrations in Canada's history. To transplant some 23,000 Japanese from their present environment and source of livelihood and place them in territory several hundred miles away in different occupations under unfamiliar conditions is no simple task, and it will require considerable organizing talent, far-reaching co-operation of many groups and agencies and also diplomacy and a firm hand.

Raised Many Problems

Disposal of the 1,000 or more Japanese fishing vessels seized immediately after Japan declared war has provided a preview of the difficulties likely to be encountered when other aspects of the problem are undertaken.

Confiscation of these vessels resulted, in the first place, in enforced idleness of at least 2,000 Japanese fishermen and including their families affected probably 5,000 or more of that race. While no one questions the wisdom of taking over these craft, the government is responsible for the people thus deprived of a living and the means to provide for themselves.

And that is only the beginning of the problem. Not only will the male Japanese affected have to be located somewhere outside the protected area, but the seized vessels will have to be recommissioned and put into service, because without their operation British Columbia's packing industry will be unable to maintain its production at a time when the Empire more than ever before is dependent on Canadian fisheries for a food supply.

Say A.R.P. Muddled

A.R.P. arrangements are widely regarded as having been badly muddled on the west coast.

Until bombs dropped on Pearl Harbor and west coast cities had their first experience with the blackout, A.R.P. measures were lightly treated in British Columbia, and little effort was made to place them on an effective basis. When the blackout era threw tremendous pressure on the existing A.R.P. overnight, it became apparent that a great deal would have to be done to make the system properly workable in an emergency.

Since then, in Vancouver, Mayor J. W. Cornett has taken complete charge of the A.R.P. organization, making it one of the city's major responsibilities and there has been a notable improvement in the general setup. The provincial legislature has passed legislation enabling municipalities to levy for A.R.P. funds.

The chief lack today is equipment. Although the city of Seattle, within 150 miles of Vancouver, has received some 400,000 gas masks, none is available in Vancouver; and that is only one serious deficiency. Few air raid shelters have been designated either. Even two months after Pearl Harbor, Vancouver is without satisfactory air raid sirens.

In addition to cash grants from the federal and provincial governments, $100,000 worth of equipment not easily obtainable on the coast has been shipped to British Columbia, and an additional $50,000 worth has been promised. Ontario has loaned 100 fire pumps, and arrangements have been made to get speedy delivery of such articles as metal stretchers, beds, hose, oilskins, steel helmets, respirators, tarpaulins and stirrup pumps.

"Not Yet Fully Aroused"

But in spite of promises of aid and the visits of various federal officials to survey defenses, air raid protection, war risk insurance and related problems, there is a widespread feeling that the Canadian government is still not thoroughly aroused to the very real threat against the west coast's security so long as the Japanese maintain the offensive in the Pacific.

Build Up Defenses

The authorities have probably done as well as they could with the equipment at their disposal. Air bases have been established and shore batteries have been placed at many points along the coast commanding strategic areas. The fighting services have been augmented in every department.

British Columbia's best protection remains, as it has always been the natural terrain—the forbidding character of its long and serrated coastline, the relatively few places on the sea front that provide suitable landing points for invaders, the mountains and all but impenetrable forests and undergrowth that would block easy and expeditious access of troops.

Most authorities scoff at the possibility of attempted mass invasion by the enemy regardless of the extent of Japanese success at the other side of the Pacific.

But there is always the peril of "nuisance" raids by bombers and warships to divert the fleets of Allied powers, wreck shipyards and war industries or disturb civilian morale. To meet such attacks calls primarily for plenty of effective planes and anti-aircraft batteries and not until these have been provided can Canadians afford to regard the safety of the west coast reasonably assured .

70th Annual Financial Statement

Balance Sheet as at December 31st, 1941

ASSETS	
Book Value of Real Estate owned or held for sale	$ 37,001.92
Mortgage Loans on Real Estate, first charges	907,733.87
Agreements for Sale	5,235.65
Book Value of Bonds and Debentures owned	1,773,404.95
Book Value of Stocks owned	205,177.32
Cash on hand and in banks	90,469.93
Interest due and accrued	26,390.62
Agents' balances written on or after October 1, 1941	124,151.14
Amount due from reinsurance on losses already paid	16,465.11
	$3,186,030.51

LIABILITIES	
Total provision for unpaid claims.	$ 110,187.82
Total net reserve carried out at 80%	471,310.22
Reserve and unpaid losses under unlicensed reinsurance unsecured	14,428.58
Agency and other expenses, due and accrued	1,643.76
Taxes due and accrued	24,364.15
Reinsurance premiums	20,779.75
Reserve for loss on investments.	78,737.24
Reserve for return of premiums.	3,888.34
	$ 725,339.86
Surplus for protection of policy-holders	2,460,690.65
	$3,186,030.51

ASSETS IN 1931: $1,684,724.32 — In 1941: $3,186,030.51

"New investments were confined exclusively to Victory Bonds. Since the start of the war, the Company has purchased a total of $865,000.000 of War Bonds."

From the address of Henry Knell, President.

The Economical Mutual

FIRE INSURANCE COMPANY

Henry Knell, *President* F. W. Snyder, *Managing Director*

HEAD OFFICE: KITCHENER, ONTARIO

Paramount Net Up Last Year

Paramount Pictures Inc. estimates earnings for the 52 weeks ended Jan. 3, 1942, at $10.1 millions after interest and all charges including reserves and taxes. This compares with $7.6 millions earned in the preceding year.

Paramount consolidates in its earnings those subsidiaries which have operations in the western hemisphere and in England, Australia, New Zealand and India. Only net income actually received from other foreign subsidiaries is consolidated. No provision for U. S. federal excess profits tax has been made, as it is estimated that none have accrued.

After providing for preferred dividends, it is estimated that earnings for 1941 represent $3.36 a share on the 2,744,923 common shares outstanding at Jan. 3. This compares with $2.64 a share for the year ended Jan. 4, 1941.

Last Quarter Down

For the 13 weeks ended Jan. 3, 1942, the last quarter of the company's year, earnings are estimated at $2.7 millions as compared with $2.8 millions for the corresponding quarter a year ago. On a per-share basis, the company earned 89 cents a share on its common in the latest quarter, as compared with $1.03 a share in the period ended Jan. 4, 1941.

Of the 225,010 shares of second preferred outstanding Jan. 3, 1942, 173,900 shares have since been converted into 156,510 shares of common. The balance of 51,100 shares were redeemed Feb. 3, 1942. During 1941, 326 shares first preferred and 307,460 of second preferred were converted into 278,996 common shares and 7,800 shares of first preferred were acquired by the company at a small discount. At present there are outstanding 2,901,580 common shares.

The sum of $1.4 millions has been charged off to earned surplus in 1941, representing the company's investment in, and receivables from, its subsidiaries in France and Belgium.

A dividend of 25 cents a share has been declared on the common, payable April 1, 1942, to shareholders on record Mar. 16.

Winnipeg Transit Jam Expected Next Winter

From Our Own Correspondent

WINNIPEG.—Before many more months a substantial proportion of Winnipeg's workers may be walking to and from work because there won't be street cars and buses available for all.

Problem of worker transport is being studied closely by transportation officials and employers. Meetings are being held at which all angles of the question are discussed.

Conditions are no worse in Winnipeg than in other cities. In some respects they are better as a large number of Winnipeg workers live within a three-mile radius of their jobs, with no hills to negotiate.

Next Winter the Danger Point

Transportation officials say there will be no occasion for drastic measures for the balance of the winter. Next winter conditions may be worse because of gasoline rations and tire shortages.

The Winnipeg Electric Co. during the past 10 years has removed 35% of its rail trackage from streets of Greater Winnipeg. Two heavily travelled routes were replaced with trolley buses and other routes with gasoline buses. The company has 141 buses in its garages now, another 30 on order, but deliveries are very slow and getting slower.

C. H. Dahl, manager of the transportation end of Winnipeg Electric has returned from a conference held in Chicago of the American Transit Association. At this conference such measures as staggered hours, skip stops, increasing load possibilities by use of longtitudinal seats and many other ideas were under consideration. The association, said Mr. Dahl, recognized that its first duty in an all-out war effort was to put the transportation of workers in war industries in a category in which service must be given. Even these may be asked to stagger working hours to eliminate peak-hour rushes. Stores may be asked to change hours of opening and closing and the public will be asked to use discrimination in making trips.

Traffic Soars

Bus traffic for the first two months of this year in Winnipeg is already 15% above that of last year in which a 15% increase was also made. Winnipeg Electric has a number of street cars which could be placed in service but has no place to put them. At the corner of Portage Avenue and Main Street, for instance, in the peak late afternoon hour, 80 street cars are pushed through in a 60-minute period and it is impossible to crowd any more through.

With lessening auto traffic it has been suggested there will be less need for automatic traffic signals and some of these may be eliminated to speed up street railway and bus traffic.

Staggered Hours Policy Begins For Two Cities

Five of Montreal's leading departmental stores have adopted a staggered hours policy under which they will open at 10 a.m. and close at 6.30 p.m. The new plan came into effect Mar. 1.

July and August will be exceptions, the stores these two months observing the same hours as formerly.

Approximately 5,500 employees will be affected in the stores of the T. Eaton Co., Henry Morgan & Co., Robt. Simpson Co., Jas. A. Ogilvy's Ltd., and Dupuis Frères Ltée.

Toronto Plans Under Way

In Toronto similar moves are under way in a campaign which is hoped to put some 16,000 workers on a staggered hours basis before the month end. On Monday of this week the Toronto Transportation Commission started bringing in its downtown office workers at 8.30 a.m., sending them home at 4.30 p.m. compared with the previous nine to five routine. Other public utilities in the city are expected to follow this lead in the next week or two. City officials have favorably recommended the scheme for their downtown workers and the actual measure is now awaiting council action.

Toronto's two large department stores have under consideration a plan to open at 9.30 and close at six.

These groups total about 16,000 employees and will provide the first testing ground for staggered hours in Toronto. When the kinks are ironed out, further changes will be taken under consideration for the city's 40,000 downtown workers.

Bruck Silk Trade Ahead

Principal Problem Is Materials, Says Isaac Bruck, President

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills' business in the first four months of the current fiscal year was ahead of the like period a year ago, according to a statement made at the annual meeting by Isaac Bruck, president.

While operations were slightly improved, the main question of the moment was raw materials. Defense orders, Mr. Bruck said, were offsetting the loss in civilian business.

Under current circumstances, the president added it was necessary results should be maintained for the present and when a better liquid position was maintained the question of larger dividends could be taken into consideration by the directors.

Gerald L. Bruck was elected a director to fill a vacancy created by the death of Colonel E. M. Renouf.

Bruck Silk has advised the Montreal Stock Exchange it has been instructed by the Foreign Exchange Control Board to withhold, until Mar. 9, payment of the dividend which was authorized by the board of directors to be paid on Feb. 25.

Acme Glove Works Outlook Uncertain

President Lepine Says Demand Good, But Materials Are Scarce

From Our Own Correspondent

MONTREAL. — Acme Glove Works' outlook for the current year is marked by uncertainty, according to A. Lepine, president. "On the one hand," he said, "there is continued growing demand from the trade for merchandise such as the company manufactures. This is evidenced by orders currently on the books for delivery in the coming spring. On the other hand, it is no secret that many raw materials are becoming increasingly scarce, while the ranks of labor available for civilian production are thinning out."

The substantial increase in 1941 sales was in reflection of conditions that prevailed all through the lumbering, construction, manufacturing and other industries as a result of demands occasioned by wartime activity. There was a larger demand for labor, and higher payrolls were general. This created corresponding gains in the demand for clothing of all types manufactured by the company.

Dosco Steps Up Pig Iron Output

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s plant at Sydney produced a record volume of pig iron in January. According to the Dominion Bureau of Statistics production totalled 45,000 tons. This contrasts with 43,000 tons in December and with 40,000 tons in Jan., 1941.

For all of last year the average monthly production was 35,000 tons.

PRESIDENT

C. S. Riley has been elected president and managing director of the Canadian Fire Insurance Co. and the Canadian Indemnity Insurance Co. of Winnipeg. He succeeds his father, R. T. Riley, who has been elected honorary chairman of the board of both companies. A. L. Denison becomes vice-president and general manager of both companies.

East Kootenay Calls Meeting

Bondholders Will Be Asked to Approve New Arrangement

From Our Own Correspondent

MONTREAL.—Holders of the first mortgage 7% bonds of East Kootenay Power Co. will meet in Montreal on Mar. 23 to consider modification of the trust deed.

Among other things it is proposed to extend the maturity of the bonds from Apr. 1, 1942, to Apr. 1, 1952.

To eliminate the clause covering the payment of principal and interest in gold coins;

To extend provisions of the sinking fund so that it will operate to Nov. 1, 1951, inclusive;

To make the bonds callable at par and accrued interest instead of 110% and accrued interest.

Nearly $2 Millions

At the end of last March East Kootenay Power had outstanding $1,939,000 of the 7% first mortgage bonds, of which $2.3 millions were issued originally.

Bond interest and sinking fund have been met regularly, including charges in connection with notes payable to Power Corp., which at the end of the last fiscal year totalled nearly $2 millions. Because of the impossibility of carrying out a refunding operation at this time, the plan outlined above is being placed before bondholders for their approval.

U. K. Publishers Reducing Papers

Further 10% Cut Is Scheduled. Newsprint Price Rise Likely

From Our Own Correspondent

MONTREAL.—British newspapers which have been operating with one sixth of their pre-war supplies will undergo a further cut of 10% beginning Mar. 15. This will be effected by printing fewer papers and reducing circulation.

Most British newspapers have been getting along on four standard pages or eight tabloid pages a day and letting circulation expand.

The major factor in the forthcoming cut in newsprint allotments is the reduced imports of paper from Canada because shipping space is needed for war supplies.

Reports from London further indicate a price adjustment of newsprint is expected to take place in the near future. Canadian paper is landed in London at £24 a ton, while domestic production, supplying 100,000 tons a year, is at £28. 15s, making an average price of £26. An upward revision is expected.

Bell Telephone Nears Limit

C. F. Sise Warns Service Facilities Approach Maximum

From Our Own Correspondent

MONTREAL. — Equipment resources of the Bell Telephone Co. of Canada have been strained to such a point that it may be necessary to impose "restrictive measures" at least in some localities, according to C. F. Sise, president, at the annual meeting.

Referring to the growth of services, Mr. Sise said:

"The growth in telephones was greater last year than at any time in our history. Since the beginning of this year, we have installed services at an even greater rate. This presents a situation of grave difficulties.

Using Spare Plant

"Our spare plant is being rapidly used up. This applies not only to cables, plants and switchboards in central offices but to our long distance plants as well.

"There is increasing difficulty in obtaining materials. Shortages exist in copper, steel, rubber, zinc and tin, all of which are important in the manufacture of telephone equipment and all desperately needed for war production.

Growth Exceeds Resources

"The going rate of growth so far this year is far in excess of our estimated resources should it continue throughout the year. Having in mind that we must keep reserves for essential war requirements, it is probable restriction measures will have to be imposed, at least in certain localities.

"We are reconditioning and re-using as much material as we can; apparatus is being retained in service for a longer period than normally and, where a new plant is built, it is engineered to take care of growth for a relatively short period in order to conserve material. We are neglecting nothing to get the most out of the facilities available."

Newfoundland Revenues Gain

With revenues of almost $10.5 millions and expenditures of $7 millions in the first half of its 1941-42 fiscal year, Newfoundland achieved a surplus of better than $3 millions for the period. Prior to 1937 there was only one year in the country's history in which total revenue exceeded $11 millions for the full year.

Maintenance of customs receipts at the present rate of increase along with the higher tax payments expected between now and the end of June is unofficially expected to bring the year's total revenue to around $24 millions. Expenditures are expected to be held close to the budget estimate of $15 millions.

Revenue statement for the first half of the fiscal year shows customs income at 50% above the 1940-41 receipts while the post office has had a 30% increase and collections by the assessor's department are up by more than 100%.

W.P.B. Sets Inventory On U.S. Pulp Needs

MONTREAL. — A practicable working minimum inventory of woodpulp is defined as not in excess of a 60-day supply, according to regulations laid down by the United States Wartime Production Board.

Excluding pulp held for the manufacture of products for ordnance purposes or for delivery under the Lease-Lend Act, the W.P.B. has ruled any inventory of any grade of woodpulp in excess of 60 days supply of that grade, on the basis of current methods and rate of operations during any 90 continuous working days of the previous six months, stored either at a plant or in separate warehouses, shall be deemed to be in excess of a minimum inventory.

North American Buys $5 Millions

North American Life Assurance Co. has subscribed to $5 millions of the new Victory Loan bonds. This corrects a typographical error in last week's issue of The Financial Post.

PARADE
WIT & WISDOM
WAR ODDITIES
SHORT FEATURES
ADVERTISER
1942 PLANS
TOO MANY ORDERS
MR AGENCY MAN

Short, well edited features perform a service of great importance to advertisers

Doing the Little Things Well

NOT by the names of its famous writers alone, can Maclean's influence as an advertising medium be measured. The short and condensed features have always received exceptional attention from readers. They serve by increasing reader traffic and spreading attention all through the magazine.

In a recent coast-to-coast survey, "*Wit and Wisdom*" is shown to get reader attention only slightly less than Beverley Baxter's "London Letter." (Actual figures are given in the survey report entitled "What Canadians Read," shown on request.)

"*War Oddities,*" a short, short column contributed by Maclean's own readers, holds fourth position and "*Parade,*" a spirited collection of bits of varied Canadiana regularly placed on the contents page, is fifth.

Maclean's is more than one writer or a group of writers, more than one feature or a group of features. Unusually wide in its appeal, Maclean's draws to itself the varied interests of thinking Canadians.

Maclean's is vital in its presentation — moving in its urge towards thought and action. You will find unprecedented reader response from every page of today's Maclean's, whether you advertise for immediate sales or to maintain your position in the market.

Whatever you want in a medium, Maclean's has it!

Whether eager reader interest ... or family appeal ... or assured long life ... or large national coverage ... or merchandising influence ... or largest advertising volume ... or economy ... MACLEAN'S HAS THEM ALL!

Use Maclean's and Be Safe!

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CANADA'S NATIONAL MAGAZINE

481 University Ave., Toronto, Canada

MONTREAL LONDON, ENG. NEW YORK CHICAGO

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including club market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 2

A

Range 1942 High	Low	Div Rate $	Feb28 Y'ld %		Sales	Last Feb. 28	Week end. Mar. 2 H	L	Cl'se
.70	.40	•	...	Abitibi	1675	.65	.65	.60	.60
7	4½	•	...	Do. pref. 6%	444	5½	5½	5½	5½
13	13	•	...	Do. pref. 7%	....	(13 bid 15½ asked)			
†3	1	.	...	Acme Glove	....	(3 bid 4 asked)			
60	60	6.50	10.8	Do. pref.	....	(— bid — asked)			
13	13	80+20c	8	Agnew Surp.	....	(12 bid 13 asked)			
†108	105	7	6.6	Do. pref.	....	(108½ bid 110 asked)			
.90	.80	•	...	Alta. Pac. Gr.	....	(— bid .95 asked)			
27	22	.	...	Do. pref.	30	23	24	23	24
9	8½	.	...	Algoma Steel	120	8½	9	8½	8½
82	82	5	6.1	Do. pref.		(— bid 92 asked)			
109	98	8+2	10.1	Aluminium	360	100	99	98	98½
115	113	6	5.3	Do. pref.	162	..	115	113	113
7½	7½	25c	...	Amal. Electric	10	7½	7½	7½	7½
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
†46½	44	2.75	5.9	Ang. Can. T. p.	....	(— bid 43 asked)			
19	17½	60+60c	6.8	Asbestos	80	18	18	17½	18
18½	16	1.75	10.9	Assoc. Brew.	....	(— bid 16 asked)			
110	110	7	6.4	Do. pref.	5	..	110	110	110
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	96c	...	Do. pref.	....	(— bid 25 asked)			
102	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			

B

Range 1942 High	Low	Div Rate $	Feb28 Y'ld %		Sales	Last Feb. 28	Week end. Mar. 2 H	L	Cl'se
145	142	8	5.5	Bk. Can. Nat.	....	(146 bid — asked)			
189	186	8	4.2	Bk. Montreal	110	186	187	186	186
274	270	12	4.3	Bk. N. Scotia	19	273	274	272	273
255	245	10	4	Bk. Toronto	1	245½	245	245	245
†8½	8½	22½c	..	Barber Ellis	....	(7 bid 10 asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
†1.25	.35	.	...	Barker's Bread	....	(.35 bid 1.50 asked)			
†22	16	.	...	Do. pref.	....	(14 bid 14½ asked)			
14½	13½	1+25c	9	Bathurst Pr.	250	14	14	13¾	13¾
2½	1½	.	...	Do. (B)	....	(1½ bid 2 asked)			
4	4	.	...	Beath & Sons	....	(2½ bid 3½ asked)			
8	6½	.	...	Beatty Bros.	10	6¾	7	7	7
105	102	6	5.7	Do. pref.	120	102	105	103½	105
90	90	7	7.8	Do. 2nd pref.	5	..	90	90	90
9¾	9½		...	Beauharnois	142	9¾	9¾	9¾	9¾
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			
†128	124	7	5.6	Do. pref.	....	(115 bid — asked)			
150½	143	8	5.5	Bell Telephone	556	144	148	144	148
6¾	6½	30+5c	5.2	Bertram & Sons	....	(6½ bid — asked)			
7½	7	60c	8.6	Biltmore Hats	....	(7 bid 7½ asked)			
3	2½		...	Blue Ribbon	....	(2¾ bid 3 asked)			
32½	30	2.50	7.7	Do. pref.	30	30	32½	32½	32½
10½	10½	60c	5.6	Blue Top Br. A.	....	(8 bid 11½ asked)			
10½	8	.	...	Do. "B"	....	(10 bid 11 asked)			
20¾	20½	1.30	6.3	Brant. Cord. pf.	29	..	20¾	20¾	20¾
8½	6½	40c	...	Brazilian Tr.	1681	7½	7¾	7½	7¾
5½	4½	50+10c	..	Brew. & Distil.	....	(4½ bid 5 asked)			
†6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
†90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18	15½	1	6.3	Brit. Amer. Oil	2232	15¾	15¾	15½	15½
16	13	1.50	...	B. C. Packers	50	15	15	15	15
22	18	2	10.5	B. C. Power A.	135	18½	19	19	19
11	1½	.	...	Do. (B)	....	(1½ bid 2 asked)			
5½	4½	10c	...	Bruck S. Mills	40	4¾	5	4½	5
12½	11½	70+10c	6.7	Building Prod.	60	12	12½	12	12
8	7½	60c	7.7	Burlington St'l	125	7¾	7¾	7¾	7¾

Mining Stocks

Week Ending March 2.

N, O

Par Val.	Range 1942 High	Low	Company	Sales	Close Feb. 23 (or last)	High for week	Low for week	Close Mar. 2
1	.23	.17	Naybob	3,800	.17	.19	.17	.19
1	.50	.38	Negus Mines	200	.40	.40	.38	.40
5	1.04	.90	Nipissing	200	.94	.94	.92	.92
No	52.00	44.00	Noranda	1,387	46.00	46.00	44.00	44.00
No	.25	.16	Nor. Canada	......	(.18 bid .29 asked)			
1	.03½	.03½	Norgold	......	(.03½ bid .04 asked)			
No	.90	.75	Normetals	1,410	.80	.80	.78	.80
1	*5.00	3.75	Northern Empire	......	(.... bid .... asked)			
1	.91	.60	O'Brien	1,075	.65	.67	.60	.67
1	.08	.05½	Omega	1,000	.07	.08	.08	.08
1	.10	.06½	Ontario Nickel	9,550	.06½	.07½	.06½	.07½
1	.06	.04	Osisko	2,500	.04	.04	.04	.04

P, Q, R

Par Val.	Range 1942 High	Low	Company	Sales	Close Feb. 23 (or last)	High for week	Low for week	Close Mar. 2
No	.90	.70	Pamour	1,810	.70	.74	.70	.74
1	.04	.03	Pandora	1,000	.03½	.03½	.03½	.03½
1	.02	.01	Partenan Mal.	......	(.01½ bid .02 asked)			
1	3.00	2.50	Pato Cons. G.	100	2.50	2.50	2.50	2.50
1	.00½	.00½	Pawnee Kirk	500	.00½	.00½	.00½	.00½
1	.17	.11½	Paymaster	4,500	.13	.13	.12½	.12½
1	1.75	1.36	Pend Oreille	1,400	1.36	1.45	1.40	1.45
1	1.35	1.10	Perron Gold	600	1.10	1.22	1.15	1.17
1	2.35	1.99	Pickle Crow	2,336	2.11	2.15	2.05	2.12
1	2.20	1.70	Pioneer Gold B.C.	2,500	1.78	1.83	1.70	1.70
1	*.950	8.37	Placer Devel.	......	(.... bid 6.00 asked)			
1	.78	.50	Powell Rouyn	1,600	.50	.60	.55	.57
1	.60	.42	Premier Gold	2,200	.45	.42	.42	.42
1	3.20	2.35	Preston E. Dome	10,750	2.60	2.60	2.55	2.55
No	.20	.15	Prospectors Air's	......	(.15 Feb. 19)			
1	*.30	.20	Quebec Gold	......	(.... bid .... asked)			
1	.39	.25	Queenston Gold	7,814	.25	.27	.25	.27
No	.06	.02	Quemont	......	(.04½ bid .05 asked)			
No	*.04	.01	Red Crest	......	(.01 bid .03 asked)			
1	.45	.40	Reeves McDonald	......	(.... bid .50 asked)			
1	.17½	.12	Reno Gold	1,800	.17	.17	.17	.17
1	.02½	.02½	Roche Long Lac	......	(.02½ bid .04 asked)			

S, T, U, V, W, Y

Par Val.	Range 1942 High	Low	Company	Sales	Close Feb. 23 (or last)	High for week	Low for week	Close Mar. 2
1	2.05	1.35	San Antonio	4,360	1.50	1.70	1.50	1.70
1	.02½	.01½	Sand River	......	(.01½ Feb. 19)			
1	.18	.10	Senator Rouyn	7,200	.11	.11	.10	.10
1	.01½	.01	Shawkey	1,500	.01½	.01	.01	.01
50c.	.83	.75	Sheep Creek	100	.75	.75	.75	.75
1	.98	.71	Sherritt Gordon	5,048	.78	.80	.71	.80
1	6.00	4.70	Sigma Mines	2,072	5.00	5.00	4.70	5.00
1	.50	.40	Siscoe	5,550	.40	.42	.40	.42
1	.33	.20	Sladen Malartic	2,600	.23	.24	.23	.23
1	.06	.02½	Slave Lake	17,500	.03½	.03½	.03	.03
1	.04	.02½	St. Anthony	1,000	.03½	.02½	.02½	.02½
1	1.96	1.35	Steep Rock	8,250	1.60	1.75	1.62	1.62
No	.01½	.01	Straw Lake	13,700	.01	.01½	.01	.01½

*Quotations for 1941. † 1940.

Winnipeg Stocks

(Transactions from Feb. 23 to Feb. 28)

	Sales	High for period	Low for period	Close Feb. 28
Canadian Fire Ins.	32	81.00	81.00	81.00
Great-West Life	1	203.00	203.00	203.00
United Grain Growers	7	11.50	11.50	11.50
Western Steel Prod.	25	9.25	9.25	9.25
Winnipeg River Tin	5,000	.00⅞	.00⅞	.00⅞

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber c	2½	5
Beav. Lumber p	103	..
Can. Indemnity	150	..
Can. Airways	1	..
Corr. P. Box	.60	..
Cres. Cream., p.	..	12
Dom. Envelope c	..	9½
Dom. Envelope p	96	99½

	Bid	Asked
Fed. Grain c.	.35	1¼
Grouped Inc.	..	4½
Home Invest.	25¼	..
Nor. C. Mtge. un	5½	7½
North. Trusts	..	..
Traders Bldg.	44	..
West. Brew.	1⅞	2⅛
West. Grain, p.	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 3	6,600	4,400	95,000	4,200
Mar. 2	6,300	3,300	97,000	3,000
Feb. 28	2,600	6,400	55,000	5,450
Feb. 27	6,700	800	81,000	4,050
Feb. 26	7,900	200	53,000	15,450
Feb. 25	7,100	3,600	94,000	

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Mar. 4, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
1½	May '42	100	100½	...
2	June '42	100¼	100¾	...
3	Oct. '42	101¼	101¼	.60
2½	June '43	101¼	101¾	1.08
5	Oct. '43	105¾	106	1.25
2	June '44	100¾	101¼	1.48
a2½	Jan. '44	99¾	100¼	2.25
4½	Oct. '44	106¾	107¼	1.66
2½	Nov. '44	101¾	102¼	1.55
a2½	Aug. '45	98¼	99‡	2.80
a4	Oct. '45	103¼	104	b1.50
2	Mar. '45	100¼	101	1.66
2	Dec. '46	99	99¾	2.14
4½	Feb. '46	108¾	109¼	1.96
3½	June '49	102¾	103¼	b2.38
3½	Oct. '49	102¼	103	b2.31
3½	Nov. '51	101¼	102¼	b2.87
3½	Feb. '52	101¼	102¼	‡2.96
5	May '52	100¼	100¾‡	b.50
4	Oct. '52	105¾	106¼	b2.75
3	June '51	99¼	100	3.09
3	Oct. '52	98¾	99¼	3.05
3	June '55	99¼	100	3.00
4½	Nov. '56	106¾	107¼	b2.80
4½	Nov. '57	107¼	108¼	b2.90
3	June '58	99¼	100	3.00
4½	Nov. '58	108¼	109¼	b2.96
4½	Nov. '59	109¾	110¼	b2.99
a4	Oct. '60	104¼	105‡	b3.33
a3½	Jan. '61	97	98‡	3.39
3½	June '66	101	101¾	b3.10
a3e	Jan. '67	94	95‡	3.30
a3e	Nov. '68	93¾	94‡‡	3.30
†3	Perpet'l.	93¼	94¼	3.17

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100¼	101	.95
2½	Jan. '46	100¾	101¼	1.85
3	May '44	102¼	103¼	1.50
3	Dec. '50	99¼	100	3.00
3	Feb. '53	98¼	99¼	3.05
3	Jan. '59	98	99	3.08
*4½	Sept. '51	115	116¼	2.59
*4½	Feb. '56	116¼	117¼	2.98
4½	July '57	116¼	117¼	3.06

%	Due	Bid	Ask.	Approx. Yld.
4½	June '55	117¼	119	3.03
5	Feb. '54	117¼	118¼	3.14
*5e	July '69	116¼	117¼	...
*5e	Oct. '69	119	121	b2.52
*5e	Feb. '70	119	121	b2.63
Grand Trunk Pacific Rly.:				
3	Jan. '62	99	100¼	2.97
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	91¼	93	3.88
3½	Aug. '49	93	95	4.04
3½	June '56	92	94	4.05
c4	Nov. '47	100	103	b3.13
c4½	Apr. '61	103	106	4.04
c5	Jan. '60	108	111	4.13
Nova Scotia:				
3	Jan. '52	95¼	97¼	3.29
3½	June '56	98	100	3.25
3½	Nov. '50	99¼	101¼	3.30
c4½	Sept. '52	106	108	b2.75
c4½	Nov. '60	110	113	3.55
c5	Mar. '60	117¼	119¼	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	98¼	100	b3.00
3	Nov. '50	98¼	99¼	3.10
3½	Nov. '51	99¼	101	b3.10
3½	May '55	99¼	101	b3.13
*4	June '62	107	110	3.32
4½	June '50	108	110	3.13
*4½	Jan. '62	114	116	3.39
5	Oct. '48	110¼	111¾	3.00
*5	Dec. '60	120¼	122¼	3.38
5½	July '46	109	110¼	2.90
Ont. Hydro Commission:				
3	Aug. '48	99	100¼	b2.94
3½	Feb. '53	99¼	100¼	b3.13
3½	Apr. '47	101	103	2.85
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97¼	99	3.19
3½	Mar. '48	98¼	100	3.25
3½	Mar. '59	97¼	99	3.58

%	Due	Bid	Ask.	Approx. Yld.
4	Nov. '52	101	103	b3.58
3½	Feb. '55	100¼	102	b3.51
4½	Aug. '58	104¼	106¼	3.72
4½	Jan. '63	109	111	3.74
Alberta:				
4½	Oct. '51	67	..	d
4½	Oct. '56	61	64	d
4	Dec. '54	57	60	d
*5	Oct. '59	63	67	d
c5½	Apr. '52	65	68	d
6	Mar. '47	70¼	72¼	d
British Columbia:				
c4	Dec. '57	101	103	3.78
*4½	Jan. '51	106	...	...
c4½	Oct. '53	106	...	...
c5	Apr. '54	111	...	...
5½	Feb. '45	103	104½	3.73
6	Feb. '47	106	108	4.21
Manitoba:				
c4	Dec. '57	96	99	4.09
c4½	Dec. '56	99	101	4.41
*5	Dec. '59	102	105	4.59
5½	Oct. '55	101	103	5.19
6	Apr. '47	102	104	5.10
Saskatchewan:				
4	Sept. '54	76	78	6.53
4	Nov. '60	75	77	6.05
c4½	Oct. '51	87	90	5.86
c4½	Mar. '60	84	86	5.73
5	Aug. '58	86	88	6.17
5½	Oct. '52	92	93¼	6.33
6	Mar. '52	93	94¼	6.74

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated to 1950 average maturity.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Mar. 3, 1942

Industrials	Bid	Ask.
Acme Farm., pf.	46	..
Andian National	27	29
Anglo C. Tel., A	6	7¼
Atlas Steel	17	19
Barrymore, pfd.	36	..
Brant. Roof.	2¼	..
B. C. Pulp, c.	9¾	11¼
Do., pfd.	65	69
B. C. Sugar	67	71
B. C. Tel., 1st p.	111	116
Brown, com.	1¾	1¾
Do., pfd.	28½	30
Burns & Co., A	4¾	5¼
Do., B	2¼	3
Can. Co-op. Wl.	8	..
Can. Indust., A	141	146
Can. Ing. Rand	70	76
Can. Mot. L.A.B.	4¼	..
Can. Tube, 1st p	77	82
Chase, A. W., p.	18	19¼
Colonial Realty.	2¼	..
Colonial Steam.	32½	36
Copeland Fl. un.	13	15
Dunlop T. p. $25	19	21
Easy Wash. ¬ $10	10	11¼
Galt Brass, c.	9¼	..
Goderich Elev.	6¼	7
Guard. Realty p	10	12¼
Guelph Carp., c	16½	18
Gurney Fdry. p.	1¼	1¾
Hayes Steel, c.	14¼	15¼
Hi'land Dairy, p	49	..
Inglis, John	4¼	5
Ingram & Bell p	93	..
Kingst. Ship. un	37¼	40
Do., com.	6	7¼
Loblaw, Inc., c.	10	11¼
Minn.&Ont. P. c	4¼	4¾
M'row Screw, p.	103	105
Do., com.	13	16
Morrison Br. un	4¼	6
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy., p	60	65
Ont. Tobacco, p.	18	19¼
Pac. C. Term., c	..	7
Prov. Paper, pf.	100	103
Quinte Milk	2¼	3¼
Stand. Fuel, p.	50	54
Stedman, pf. $50	55	58
Sutton Horsley	¾	1
Tor. Carpet, c.	50	..
Do., pfd.	66	71
Un. F. Co-op.	2¼	3¼
Un. Steel, A pf.	21	23
Viceroy Mfg., c.	12¼	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	135
Brockville Tr.	42	..
Capital Tr.	28	32
Comm. Fin., c.	3¾	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	99	104
Guelph & O. $50	51	54
Indust. Mtge.	26	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	38	42
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1¼	..
Traders Fin. A c	3	5
Do., A pfd.	..	70
Trusts&Gr., new	34	36
Victoria Trust	70	75
Waterloo Trust	99	..
Insurance Stocks:		
Canada Life	360	380
Brit. Amer.	51	53
Canadian Fire	80	82
Confed. 30% pd.	128	135

	Bid	Ask.
Cons. Fire Cas.	3¾	..
Continental L.	34	38
Crown, fully pd.	265	285
Dominion Fire	136	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	74
Great-West Life	200	210
Federal, 25% pd.	52	56
Halifax Fire	15¼	17
Imperial Life	260	280
Manufac. Life	218	222
Monarch Life	32½	34¾
National Life	10	16
Sov. L. 25% pd.	12	..
Sun Life	240	265
Tor. General	4¼	5¼
Wellington Fire.	58	..
Western Assce.	40	43
Theatre Stocks:		
Allen's, St. Cath., units	52	..
Loew's London p	2¼	3¾
Mansf. Theat. p	29½	32
Para., Kitch., p.	50	..
Do., Oshawa, c	7¼	9¼
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42	44
Sec's. Hold., pf.	18¼	20
United Corp., A	19¼	21¼
Do., B	4¼	5¼
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	101	..
Gt. Lakes Pr., p	101	105
Int. Util. $1.75 p	8¼	14
Do., $3.50 pf.	29	..
Mtl. Isl. Pwr. p.	41	..
Nor. Ont. Pr. p.	71	75

Unlisted Mines

Toronto, Mar. 3, 1942

	Bid	Ask
Albany R (Old)	.03	.05
(New)	•.08	.10
Amal Kirk	.04½	.05½
Anoki	.03	.03½
Aquarius	.20	.22
Arjon	.02½	.03½
Armistice	.06	.08
Argosy	.05	.07
Area	.02	.02½
Barb Lard	.02½	.03
Brock	.04½	.06
Calder Bo	.02	.03
Can Rad	.07	.08
Central M	.01½	.02
Cheminis	.03	.04
Coin Lake	.01½	.02
Cons Chib	.03	.04
Delpine	.06	.07
Desantis (New)	•.08	.10

	Bid	Ask
Dona Pat	.01	.02
Eastward	.07	.09
Elmos	.05½	.07
Franco	.18	.23
Goodrock	.19	.21
Hasaga	.15	.20
Hayes Cad	.03	.04
Hoyle new	.09	.11
Hugh PaP	.03	.04
Hutch Lke	.01	.01½
Kirk Town	.07	.09
Kewagama	.01	.02
Laguerre	.05	.10
Lake Duf	.12	.14
Lake Gen	.07	.09
Lw Pete	.14½	.18
Magnet C	.40	.43
Magnet L	.13	.15
Martin Bir	.02	.02½
Mata Can	.02	.03
Mata Con	.12	.15

	Bid	Ask
McMar'ac	.12	.15
Mof Hal n	.01	.02
Mosher	.05½	.06½
McManus	.01	.02
Nat Mal	.24	.26
Nickel O	1.00	1.25
Norbeau	.15	.20
Norwin	.03½	.04½
Newbec	.00½	.01
N Ribago	.00¾	.01½
Numalake	.09	.13
Oklend	.03	.04
O'Leary M	.03	.04
Opemiska	.05	.07
Orpit	.03	.04
Pascalis	.15	.18
Pontiac R (Old)	.02	.04
Polaris	.02	.04
Pelangio	.01½	.02½
Presdor	.04½	.05

	Bid	Ask
Queb Mn	.14	.16
Rahn Lake	.00½	.01½
Rand Ml	.14	.16
Red Lake	.00¾	.01½
Rouge	.01½	.02
S.A.G.A.	.50	1.00
Sachigo	4.50	5.00
Shenango (New)	.07	.10
Sheldon	.03	.04
Skynner	.01½	.02
Springer	.12	.14
Stadacona	.05	.06
Thomson	.10	.12
Union Mn	.03	.04
Val D'O	.15	.20
Wesley	.01	.01½
Y David'n	.16	.19

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Mar. 3, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Mar. 3	Asked	Bid Feb. 24
▲Alg. Cen. H.B.R.	5	'59	10¼	12¼	9¼
†Assoc. Tel. & T.	5½	'55	65¼	68¼	65¼
B. C. Power	4½	'60	97	100	...
B. C. Tel.	4½	'61	104¼	106¼	104¼
†Calgary Pwr.	5	'60	108	...	107
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	102	104	101¼
•Dom. Gas & El.	6½	'45	102¼	104¼	102
Gatineau Pwr.	5	'49	100	102	99
•Do., A	3¾	'69	98¼	100¼	99¼
♦Do., B	3¾	'69	98	100	99
Gt. Lakes Pwr.	4½	'56	100	102	100
Do.	5	'57	95¼	98¼	96
•Int. Hydro-El.	6	'44	31¼	34¼	30
▲Inter. Power	6	'55	100¼	102¼	100¼
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	102	104	103
Do.	3½	'73	101	103	101¼
Do.	3½	'63	101¼	103¼	102
†Mtl. Tramways.	5	'51	99¼	101¼	99¼
†Do.	5	'55	70¼	73¼	71¼
Nat. Lt. & Pwr.	6	'49	101	103	101
N. S. Lt. Pr.	4	'57	101	103	101
Ottawa L.H.&P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	100	102	100
†Power Corp.	4½	'59	90¼	93¼	91
Quebec Pwr.	4	'62	101¼	103¼	101¼
•Saguenay P.	4½	'66	106	109	106
♦Do., B	4½	'66	105	108	105
St. Maurice Pr.	4½	'70	102	104	101¼
Shaw. W. & Pr.	4	'61	101¼	103¼	101¼
Do.	4	'69	101¼	103¼	101¼
Union Gas	4½	'50	101¼	103¼	102
•Twin C. R. Tr.	5½	'52	81¼	84¼	82
†United Secs.	5½	'52	42¼	45¼	42
‡Wpg. El. ser. A.	5	'65	82¼	85¼	82¼
Do., B	5	'65	67¼	70¼	67¼
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	72	75	68¼
Do., C.O.D.	5	'53	72	75	68¼
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	99	102	99
†Alta. Pa. Grain.	6	'46	103	105	103
Algoma Steel	5	'48	100	103	99¼
Atlantic Sugar	4	'51	100¼	102¼	100¼
†B. C. Pulp & P.	6	'50	92	95	92
‡†Do.	7	'50	106	...	106
•Brown Co.	5½	'46	77¼	80¼	77¼
Burns & Co.	5	'58	68¼	71¼	68
Canada Cement	4½	'51	102	105	101¼
Canada Electric	4½	'65	96¼	99¼	96¼
Can. Paper	4½	'52	101	104	101
Can. Steamships	5	'57	100¼	102¼	100¼
Can. Canners	4	'51	101¼	103¼	101
•Can. Int. Paper.	6	'49	105	107	105
‡Can. Locomotive	6	'53	100¼	103¼	...
‡†Candn. Vickers	6	'47	88	91	86
C. P. R.	3½	'51	95	97	95
Do.	4	'49	99¼	101¼	99
Do.	6	'42	99¼	..	99¼
Col. Steamships	6	'54	99	102	99¼
†Consol. Paper	5½	'61	75¼	78¼	75¼
Dom. Coal	4½	'52	99¼	102¼	100
Dom. Scott. Inv.	4	'52	98¼	..	98¼
Dom. Stl. & C.	6½	'55	103¼	106¼	103¼
Dom. Tar	4½	'51	101	104	101
Dom. Woollens.	6	'53	94¼	97¼	95¼
†Donnacona Pap.	4½	'56	77¼	80¼	77¼
•Dryden Pap.	6	'49	100	103	100
†East. Dairies	6	'49	80	83	80
Famous Players	4½	'51	97¼	100¼	97
†Federal Grain	6	'49	101¼	...	101¼
†Fraser Cos.	6	'50	101¼	...	101¼
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	101	104	101
•Gt. L. Paper	5	'55	93¼	96¼	93
•Gurney Fdry.	5½	'49	86	89	86
†Gypsum Lime	5½	'48	101	104	101
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	99¼	102¼	99¼
Ham. Cotton	4½	'50	100¼	102¼	100¼
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	76	79	75¼
Ins. Ex. Bldg.	3	'51	44	47	44
•Inter. P. Nfld.	5	'68	97¼	100¼	97¼
•Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	104¼	107¼	104¼
Lake St. J. P.	5½	'61	88	91	88
Do.	5	'61	71	74	71¼
Legare	6	'61	89	92	89
Maple L. M.	3	'58	76	79	76
Man. Sugar	5	'60	100	103	99¼
Massey-Harris	4½	'54	92	95	92
McColl-Fron.	4½	'49	101¼	104¼	101¼
McCormicks	4	'52	95¼	98¼	95¼
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	94¼	97¼	94¼
Mersey Paper	5	'57	97	100	97
†Do.	6	'49	99¼	102¼	99¼

Supplementary Stock QUOTATIONS

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Mar. 3, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., p.	32½	35¼	+1
Atlas Steels, 7% pfd.	104¾	106¼	—¼
Brinton-Peterboro Cpt.	39	..	—¼
•Can. Gen. Rubber, pfd.	20	23¼	—1
Can. Mach., new c.	7¼	..	—¼
C.P.R. 4% pfd. (£ par)	1.75	2.25	unch
Cap. Wirecloth, p.	19¼	22¼	—¼
Cawthra Apts., pfd.	1.65	2.60	—.45
Century Finance c.	..	28	—1
Claude Neon, pfd.	1¼	2	+¼
Comm. Life, 10% pd.	6	7¼	—¼
Corrug. Paperbox, c.	1¼	1¼	+¼
Dom. Alloy & Steel, pfd.	.05	.30	—.05
Do., com.	.05	.30	—.05
Dom. Life, 70% pd.	176	195	+1
Dover Industries	6	6.35	+¼
Eastern Steel, pfd.	19¼	20¼	—¼
†Fort W., Hotel, units	45	49¼	—¼
Hart Battery, com.	4.10	4.60	unch
Imperial Varnish, c.	8¼	9¼	+¼
Indust. Accept., 5% p.	60¼	65	+¼
London & West. Trusts	33	36	+¼
Mount Royal, new com.	3.10	3.65	—.15c
Murphy Paint, com.	8¼	9¼	—¼
Do., pfd.	88	90	—¼
Nat. Hosiery, com.	.60	.90	—.05
Do., pfd.	.70	1.10	—.05
†N. Amer. Elevator, p.	79	..	—¼
Do., 2nd pfd.	25	..	—¼
St. John Dry D., p.	99	101¼	—¼
Seal-o-Sac	.70	1.00	—.05
Tip Top Tailors Inc., un.	11¼	14	—¼
Traders Finance rts.	10¼	11	+¼
Viceroy Mfg., 6% pfd.	22¼	23¼	+¼
Waterloo Mfg., new c.	.60	.90	—.05
Wentworth Radio, p.	1.90	2.75	—¼
West. Can. Hydro, pfd.	10¾	11¼	—¼
West. Life, 10% pd.	9¼	10¾	+¼

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Mar. 3	Asked	Bid Feb. 24
*M. & O. Paper	5	'60	100	102	99
Moirs Ltd.	6	'53	88¼	91¼	88¼
‡Mtrl. Drydocks.	6	'48	79	83	..
Montreal Apts.	4	'54	53¼	56¼	53
Nat. Grocers	4	'47	101¼	...	101¼
N. S. Stl. Coal	3½	'63	80¼	83¼	80¼
Price Bros.	5	'57	99	102	99
Do.	4	'57	83¼	86¼	83¼
*Prov. Paper	5½	'47	105	...	105
Reliance Grain.	4½	'52	96	99	96
†Restigouche Co.	6	'48	101¼	103¼	101¼
Rolland Paper	4½	'51	101	103	101
Ruddy, E. L.	6½	'48	89	93	92
Silv. Dairies	6	'66	93	96	93¼
Simpsons, Ltd.	4½	'51	101	104	100
Smith, Howard.	4½	'51	102	105	101¼
Stand. Lime	6	'44	97¼	..	97¼
Sterling Coal	6	'45	97¼	100¼	97¼
Stop Shop	3	'47	58	61	58
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	...	105
United Gr. Grs.	5	'48	100¼	103¼	100
†Western Grain	6	'49	66	69	65

*Payable in Can. or U. S.
†Payable in Can. U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Mar. 3, 1942

	%	Due	Bid	Ask
†Halifax	5	1961	113.00	115.00
Hamilton	5	1950	109.25	112.25
Montreal	5	1945	93.00	95.00
Ottawa	4½	1945	104.00	106.50
†Quebec	5	1959	109.00	112.00
Saint John	5	1950	104.00	106.00
†Toronto	4½	1955	111.00	114.00
†Vancouver	5	1950	100.00	104.00
Winnipeg	5	1944	100.75	103.87

†Payable Can. & N.Y.

Investment Trusts

	Bid
Affiliated Funds	1.96
Can. Amer. Trust	2.75
Can. Inter. Trust	3.25
Can. Invest. Fund	2.95
Corporate Investors	5.34
Trans-Canada	8.80

Annual Meetings

Mar. 10—Page-Hersey Tubes Cowland, Ont.
Mar. 10—Windsor Hotel .... Montreal
Mar. 11—Bidgood Kirkland .... Toronto
Mar. 11—Prudential Trust ...... Montreal
Mar. 11—Woods Manufacturing . Montreal
Mar. 12—Brit. Amer. Assur. ...... Toronto
Mar. 12—Brit. Empire Assur. .... Toronto
Mar. 12—Imp. Guar. & Acc. .... Toronto
Mar. 12—Porter-Idaho Mining . Vancouver
Mar. 13—Western Assurance* ... Toronto
Mar. 13—Leitch Gold Mines ...... Toronto
Mar. 16—Gypsum, Lime & Ala. Paris, Ont.
Mar. 18—Fraser Cos. .. Edmundston, N.B.
Mar. 20—Mercantile Insur. .... Toronto
Mar. 23—Bathurst Power ...... Montreal
Mar. 23—East Koot Power† .... Montreal
Mar. 23—Twin City Rapid .. Minneapolis
Mar. 24—Dominion Stores .... Toronto
Mar. 24—Imperial Tobacco .... Montreal

*Special. †Bondholders.

Mining Dividends

	Rate	Mar. 2	Yield %
Anglo-Huronian	▲10c	2.30	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.00	16
Bayonne	†1c	.04	..
Beattie Gold	16c	.80	20
Berens River	†3c	.60	..
Bralorne	80c+40c	7.35	*16.3
Broulan Porc.	12c	.48	..
Buffalo Ankerite	▲30c	2.50	..
Bulolo Gold	$3	7.00	..
Can. Malartic	8c	.40	20
Cariboo Gold	16c+1c	1.40	*12.1
Central Patricia	16c+4c	1.15	*17.3
Chesterville	15c	1.18	..
Cochenour Willans	6c	.51	11.8
Coniagas	▲17½c	1.15	..
Coniaurum	16c	.82	19.5
Cons. Smelters	$1+$1.50	38.75	*6.4
Delnite	▲6c	.40	..
Dome Mines	$1.20	15.50	..
East Malartic	5c	1.80	..
Falconbridge	20c	3.00	..
Francoeur Gold	▲4c	.26⅛	..
Gold Belt	▲2c	.14½	..
Grandview	▲1½c	.14½	..
Grull Winksne	†1½c	.02¼	..
Hallnor	40c	2.60	15.4
Hard Rock	▲8c	.49¾	..
Hedley Mascot	8c	.26	..
Hollinger	65c+45c	7.90	*13.8
Howey Gold	▲4c	.18	..
Hudson Bay	$2	25.75	7.8
Inspiration	†2c	.25	..
Inter. Nickel. com.	$2	33.00	6.1
Island Mountain	▲18c	1.01	..
Jason	4c	.25	..
Kerr-Addison	▲35c	3.60	..
Kerr Lake	5c	.22	..
Kirkland Lake	10c+1c	.55	*20
Kootenay Belle	▲8c	.16	..
Lamaque Gold	40c+15c	3.70	*14.9
Lake Shore	80c	9.00	8.9
Leitch	8c	.49	..
Little Long Lac	▲20c	1.12	..
Macassa	32c+3c	2.40	*14.6
Madsen R. Lake	▲3c	.38	..
Malartic Gold	10c	1.60	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.80	15
Moneta	8c	.28	..
McIntyre-Porc.	$2.22+$1.11	40.00	*8.3
MacLeod-Cockshutt	10c	1.50	..
Naybob Gold	4c	.19	..
Negus	2½c	.40	..
Nipissing	15c	.92	16.3
Noranda	$4	44.00	9.1
North Empire	▲40c	3.75	..
O'Brien Gold	3c	.67	..
Pamour Porc.	18c	.74	..
Pato Cons.	20c+2c	2.50	*8.9
Pend Oreille	†6c	1.45	..
Perron Gold	16c+9c	1.17	*21.3
Pioneer, B.C.	40c	1.70	..
Pickle Crow	30c	2.12	14.1
Placer Develop.	$1.20	8.37	14.4
Premier	11c	.42	26.1
Preston E. Dome	20c	2.55	7.8
Privateer Mines	12c+4c	.35	..
Quebec Gold	2c	.30	..
San Antonio	14c+6c	1.70	*11.7
Sheep Creek	16c+1c	.77	*22
Sherritt Gordon	10c	.80	..
Sigma Mines	▲30c	5.00	..
Silbak Premier	16c	.65	24.6
Siscoe	▲8½c	.42	..
Sturgeon River	2c	.11½	..
Sudbury Basin	▲5c	1.54	..
Sullivan Cons.	▲8c	.55	..
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.60	12.5
Teck-Hughes	40c	2.05	19.5
Toburn	12c+6c	.95	*18.9
Upper Canada	▲14c	1.00	..
Ventures	▲20c	3.35	..
Waite Amulet	40c	4.50	..
Wendigo	3c	.11	..
Wright-Harg.	40c+20c	2.39	*25.1
Ymir Yankee	▲2c	.04½	..

▲Paid in 1941. *Yield including bonus.
†Initial.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Apr. 1	Mar. 16
Aluminium	$2	Mar. 5	Feb. 13
Asbestos Corp.	15c	Mar. 31	Mar. 1
Do., extra	15c	Mar. 31	Mar. 1
Amal. Oils	■4c	Mar. 15	Mar. 1
Amer. Cyan., A, B	†15c	Apr. 1	Mar. 12
Do., pref.	†12½c	Apr. 1	Mar. 12
Assoc. Brew.	25c	Mar. 31	Mar. 10
Do., pref.	$1.75	Apr. 1	Mar. 10
Bell Telephone	$2	Apr. 15	Mar. 23
Brazilian Tr., pf.	$1.50	Apr. 1	Mar. 16
Brit. Amer. Assur.	$1.50	Apr. 1	Mar. 27
Barber-Ellis, c.	12½c	Mar. 15	Feb. 28
Bk. of Nova Scotia	$3	Apr. 1	Mar. 16
Belding Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Broulan Porc.	3c	Mar. 31	Mar. 10
Berens River	3c	Mar. 16	Feb. 27
Beattie Gold	4c	Mar. 20	Mar. 4
B. C. Packers	*$1.50	Mar. 16	Feb. 28
T. G. Bright, c.	7½c	Mar. 14	Feb. 28
Do., pf.	$1.50	Mar. 14	Feb. 28
B. C. Power, A	50c	Apr. 15	Mar. 31
Burlington Steel	15c	Apr. 1	Mar. 17
Canada Packers	$1	Apr. 1	Mar. 16
Can. Perm. Mtge.	$2	Apr. 1	Mar. 14
Can. Nor. Pwr.	■15c	Apr. 25	Mar. 31
Do., pref.	■$1.75	Apr. 15	Mar. 31
Cariboo Gold	4c	Apr. 1	Mar. 4
Can. Wire & C., A	$1	Mar. 15	Feb. 28
Do., B	.50c	Mar. 15	Feb. 28
Do., pref.	$1.62½	Mar. 15	Feb. 28
Can. Cr. Stone	10c	Mar. 16	Mar. 2
Canada Dry	†15c	Mar. 9	Feb. 24
Can. Foundries, A	37½c	Mar. 16	Mar. 2
Can. Cel., inc. fd. rts.	$1	Mar. 17	Dec. 31
Can. Celanese	25c	Mar. 31	Mar. 17
Do., extra	25c	Mar. 31	Mar. 17
Do., pref.	$1.75	Mar. 31	Mar. 17
Do., participating	$1.15	Mar. 31	Mar. 17
Can. For. Invest., pf.	$2	Apr. 1	Mar. 15
Can. Gen. Elec.	$2	Apr. 1	Mar. 14
Can. Inger. Rand	$1	Mar. 4	Feb. 19
Canadian Oil, pfd.	$2	Apr. 1	Mar. 20
Can. West'ghouse	■50c	Apr. 1	Mar. 16
Can. Wire. Box, A	37½c	Apr. 1	Mar. 14
Do., arrears	12½c	Apr. 1	Mar. 14
Can. Cottons	$1	Apr. 1	Mar. 2
Do., bonus	$2	Apr. 1	Mar. 2
Do., pref.	$1.50	Apr. 1	Mar. 2
Central Can. Loan	$2	Apr. 1	Mar. 21
Chartered Trust	$1	Apr. 1	Mar. 14
Coniaurum Mines	4c	Mar. 20	Mar. 6
Canada Cement, p.	$1.25	Mar. 20	Feb. 28
Canada Malting	50c	Mar. 14	Feb. 28
Can. Malartic G.	2c	Mar. 26	Mar. 6
Canadian Car, pfd.	44c	Apr. 10	Mar. 20
Can. Converters	50c	Apr. 30	Mar. 28
Cockshutt Plow	25c	June 18	June 4
Can. Breweries, pfd.	75c	Apr. 1	Mar. 16
Confederation Life	$1.50	Mar. 31	Mar. 25
Do.	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Indust's., A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Cent. Pat. Gold	4c	Mar. 30	Mar. 14
Do., extra	1c	Mar. 30	Mar. 14
Cap. W. Cloth, p.	38c	Mar. 2	Feb. 12
Carnation, 1st pf.	†$1.25	Apr. 1	Mar. 19
Celan. of Amer.	†50c	Mar. 31	Mar. 17
Do., 5% pref.	†$1.25	Apr. 1	Mar. 17
Do., 7% pref.	†$1.75	Apr. 1	Mar. 17
Do., 2nd pref.	*†$1.75	Apr. 1	Mar. 17
Com. Alcohols, pfd.	10c	Apr. 15	Mar. 31
de Havilland, pfd.	$1.75	Mar. 14	Mar. 4
Do., arrears	$1.75	Mar. 14	Mar. 4
David & Frere, A.	25c	Mar. 31	Mar. 16
Do., bonus	15c	Mar. 31	Mar. 16
Dist. Seagrams	55½c	Mar. 16	Feb. 28
Do., pref.	†$1.25	May 1	Apr. 15
Dome Mines	■40c	Apr. 20	Mar. 31
Dom. Glass	■$1.25	Apr. 1	Mar. 16
Do., pref.	■$1.75	Apr. 1	Mar. 16
Dominion Tar, p.	$1.37½	May 1	Apr. 15
Dom. Textile	$1.25	Apr. 1	Mar. 5
Do., pref.	$1.75	Apr. 15	Mar. 16
Dom. Foundries, c.	25c	Apr. 1	Mar. 20
Easy Washing pf.	17½c	Apr. 1	Mar. 16
Econ. Inv. Trust	$1.37½	Apr. 1	Mar. 20
Eng. Electric, A	62c	Mar. 16	Feb. 28
East. Malartic	■5c	Mar. 31	Mar. 9
Foundation Co.	25c	Apr. 18	Mar. 31
Do., extra	25c	Apr. 18	Mar. 31
Ford Motor, A, B	25c	Mar. 23	Mar. 2
Falconbridge N.	5c	Mar. 26	Feb. 26
Gatineau Pwr.	15c	Mar. 31	Mar. 2
Do., 5½% pref.	$1.37	Apr. 1	Mar. 2
Do., 5% pref.	$1.25	Apr. 1	Mar. 2
Greening Wire	15c	Apr. 1	Mar. 16
Grey & B. Trust	1%	Mar. 20	Mar. 1
Do., extra	¼%	Mar. 20	Mar. 1
Ham. Un. Theat., p	$1.25	Mar. 31	Mar. 14
Huron & E. Mtge.	1%	Apr. 1	Mar. 14
Hinde & Dauch	25c	Apr. 1	Mar. 14
Ham. Cottons, pfd.	50c	Apr. 1	Mar. 14
Do., arrears	§$2	Apr. 1	Mar. 14
Honey Dew	50c	Apr. 1	Mar. 14
Internat'l Nickel	†50c	Mar. 31	Mar. 2
Imp. Tobacco	10c	Mar. 31	Mar. 13
Do., final	17½c	Mar. 31	Mar. 13
Do., pref.	3%	Mar. 31	Mar. 13
Inter. Power, pfd.	$1.75	Apr. 1	Mar. 14
Lake Shore Mines	20c	Mar. 16	Mar. 2
Langleys, pfd.	■50c	Mar. 11	Mar. 2
Do.	■50c	June 11	June 2
Do.	■50c	Sept. 11	Sept. 2
Do.	■50c	Dec. 11	Dec. 2
Lon. & West. Trust	$1	Apr. 1	Mar. 15
Lang, J. A.	17½c	Apr. 1	Mar. 15
Do., extra	30c	Apr. 1	Mar. 15
Louisiana Land	†10c	Mar. 16	Mar. 2

Business Cuts Down Its Costs

(Continued from page 11)

been well warmed as its owner has been commuting between the Capital, Toronto and Montreal trying to get over his message of simplifying and economizing on production and distribution of civilian goods and services.

Under the scheme each industry has an Advisory Committee made up of its own members. These Committees formulate general rules for standardization of products, reduction in varieties, models and styles, sizes and quantities in which they are put up for sale, the elimination of unnecessary costs in production and distribution.

All Administrators Pass

Through the new "Division of Simplified Practice" each recommendation or contemplated measure in every line will be submitted to every Administrator. This is to prevent a ruling in one business having a harmful effect on another business under the wing of a different Administrator.

The programme for simplification has its basis in the fact that war production has the first call on our resources. This leaves only limited resources available for the production of civilian goods.

The objective is to secure the greatest amount of civilian production possible after war needs are taken care of, to ensure continued and orderly civilian supply and to reduce unit costs of operation so that prices may be kept under their ceilings and subsidy payments held down.

One plan is to eliminate higher-price and higher-cost lines wherever this will release labor or materials to produce a greater total volume. Standardization to a degree never possible in peacetime is to be vigorously sought and there will be concentration on standard price ranges suited to mass demand. Industry is being told that wherever production facilities of supply sources permit, there should be concentration on the purchase of larger quantities of fewer varieties of materials.

A machine working on one type of material or color operates at a substantially lower cost than that turning out a diversified line. Costs previously incurred for reasons of competition, goodwill or prestige are now frowned on.

Holding the Ceiling

Maintaining the price ceilings is putting a real squeeze on many businesses. The Canadian Retail Federation has done a survey of the price situation affecting 132 groceries comparing the base period price with replacement price. Of the 132 items, two prices have remained the same, and one has declined in replacement cost since the basic period. The remaining 129 have risen in price; 31 retail ceiling prices are below present costs; three are at cost to the retailer, 20 are at or below a gross spread of one cent between wholesale cost and retail selling price, 26 are between one and two cents gross spread, nine are between two and three cents gross spread. In only 43 does the retailer get a gross spread of more than three cents and most of those 43 items are in large size containers.

Another instance is that of a retail store which had sold its supply of leather mitts. New purchases had to be made to meet customer demand. Under the price ceiling, the retail price could not be raised, although the replacement cost had risen. As a result those leather mitts were sold at a loss of $1.50 a dozen.

To help meet these "squeezes" the WPTB is attempting to go back over the whole chain of selling right back to the raw material or imported product and make adjustments so that the squeeze will be spread out in a reasonably equitable way. Obviously the importance of the cost factor in this connection is paramount. If costs can be held down or reduced, the work of keeping the price ceilings tight will be materially lightened.

Wary of Panic

Tied in with the programme is the problem of the psychological effect on the public. Ottawa is definitely chary about talking of what may be in the wind. For instance a few days ago newspapers reported that men's clothes were being simplified. Immediate effect of that was to have Toronto tailor shops swamped with demands for double-breasted suits. Such a panicky situation does neither the wool situation nor efficient business methods any good.

Horse-drawn vehicles do not seem to hold the answer to the delivery problem. There just are not enough horses in Canada, and it would probably take five to ten years before the horse supply could be built up sufficiently to make an impression on the problem. Farmers, restricted in buying of machinery, in many cases will go back to Dobbin. There are not the wagons or harness available, and to make them would take materials and men from direct war production. Lastly, a big expansion in delivery by horses would necessitate employment of many more workers to make up for the drop in speed, and there are not the workers available.

With gas and tire restrictions stiffening, the solution is still very much in the conjecture stage.

One possibility is the pooling of distribution facilities. Central distributing agencies would tend to eliminate unwieldly and uneconomic overlapping of marketing areas. Certain it is that there will be close official scrutiny of any business practice that sees goods produced, say, in Montreal and shipped for sale to Toronto, while similar goods produced in Toronto are shipped to Montreal.

Discussion of pooling of distributive facilities immediately raises the question of the pooling of productive facilities. In Britain and Australia many plants producing the same line have been shut down and one centralized plant chosen to carry on production for the whole industry. The men and machines in the closed plants have thereby been released for war service. This is definitely a live topic in the Canadian business field today and more than a few Canadian businessmen are convinced that centralization of production is on its way here.

To some businesses the programme of cutting out "frills" is nothing short of a godsend, and some see this programme as having a permanent effect on business methods in modern society. That competition has introduced some serious production cost factors is indicated by the fact that one Canadian cotton mill stocked 2,400 different shades. In the U. S. the War Production Board has ordered simplification of plumbing pipe fittings from 8,500 varieties to less than 3,000.

These reductions obviously don't work any hardship on the consumer and were an important cost factor in value and quality.

In Canada, quality—and the consumer—is being protected by testing conducted by the National Research Council. It is felt such test-checking is necessary to maintain the all-important public confidence in the whole scheme.

This programme asks Canadian business for a national outlook. Of the Canadian public generally, it asks wholehearted interest, co-operation, support.

Any Wheat Price Rise Hits Next Crop Only

From Our Own Correspondent

WINNIPEG.—The idea is generally accepted that the basic wheat price is likely to be increased from 70 cents to 90 cents a bushel.

Does that mean that a farmer who still has wheat will be able to profit by withholding of delivery of it until after Aug. 1?

Slowness of recent deliveries by farmers has suggested to some observers that farmers may hold such an idea. But careful enquiry indicates a realization that the price when advanced will apply only to the new season's crop. Moreover, any farmer holding wheat over will run the risk of having his quota deliveries from the new crop cut down to the extent of his old wheat on hand.

More probable explanation of the present slow rate of farm deliveries is that farmers are keeping their wheat in farm storage to take advantage of farm storage payments allowed them, or any possible advance in price that may take place before the end of the crop year.

Wheat Prices

Winnipeg Grain Futures

Week to Mar. 2, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Mar. 2
		Wheat			
.82¾	.76¼	May ...	.80⅛	.76⅞	.77⅛
.82⅛	.77½	July ...	.81¼	.78	.79
		Oats			
.51½	.38⅛	May ...	.50⅝	.49⅛	.49¾
.51¾	.42⅛	July ...	.49¼	.47½	.48⅛
.50	.46	Oct.	.47¾	.46	.46⅝
		Barley			
.64¾	.49⅜	May ...	.64½	.63¼	.64
.64¾	.55⅛	July ...	.63	.62	.62
.63⅞	.57	Oct.	.60¾	.58⅜	.58⅛
		Flax			
1.64½	1.40¼	May ...	1.64	1.64	1.64
1.64	1.48	July ...	1.64	1.64	1.64
1.64	1.60	Oct.	1.64	1.64	1.64
		Rye			
.67⅜	.51¾	May ...	.66⅝	.66⅛	.66⅝
.66⅝	.60⅜	July ...	.66⅝	.66¼	.66⅝
.66⅝	.66⅝	Oct.	.66⅝	.66¼	.66⅝

Cash Quotations

	For Week Mar. 2 High	Low	Prev. Week High	Low
Wheat:				
1 Hard ..	.78⅜	.75½	.78⅜	.77⅝
1 Nor. ..	.78⅜	.75½	.78⅜	.77⅝
2 Nor. ..	.75¼	.72⅜	.75⅛	.74⅜
3 Nor. ..	.73¾	.70⅞	.73⅝	.73
4 Nor. ..	.72⅜	.69½	.72⅜	.71¾
5 Wheat .	.70½	.67⅝	.70⅝	.69⅞
6 Wheat .	.68½	.65⅝	.68⅝	.67⅞
Feed	.66	.63⅛	.66⅛	.65⅜
Oats:				
2 C. W. .	.50	.48⅝	.49⅝	.49⅛
3 C. W. .	.48⅛	.46¾	.47⅝	.47⅜
Barley:				
1 Feed ..	.60	.59	.59⅞	.59½
2 Feed ..	.59	.58	.58⅞	.58⅜
Flax:				
1 C. W. .	1.64	1.62	1.62	1.62
2 C. W. .	1.59½	1.59¼	1.59	1.59
Rye:				
2 C. W. .	.64⅞	.64⅜	.64¾	.64⅝

Dividends Declared (Cont'd)

Landed Bkg.	$1	Apr. 1	Mar. 14
McColl-Fron., pf.	1.50	Apr. 15	Mar. 31
Macassa Mines	8c	Mar. 16	Feb. 28
MacKinnon Stl., p.	▲$1.25	Mar. 16	Feb. 28
Montreal Cottons	$1	Mar. 16	Feb. 28
Do., pref.	$1.75	Mar. 16	Feb. 28
McKen. R. Lake	3c	Mar. 19	Mar. 3
Modern Contain.	20c	Apr. 1	Mar. 20
Do., extra	10c	Apr. 1	Mar. 20
Do., pref.	$1.37½	Apr. 1	Mar. 20
Maclaren Power	25c	Mar. 5	Feb. 14
Montreal Loan	31¼c	Mar. 16	Feb. 28
N. S. Lt. & Pr., ord.	$1.50	Apr 1	Mar. 14
Nat. Breweries	50c	Apr. 1	Mar. 11
Do., pref.	44c	Apr. 1	Mar. 11
N. Meth. Ldy., p.	$1.62½	Mar. 14	Feb. 28
Nat. Biscuit, c.	†40c	Apr. 15	Mar. 17
Noranda Mines	$1	Mar. 17	Feb. 20
Nat. Grocers, pref.	37c	Apr. 1	Mar. 16
Nat. Steel Car	50c	Apr. 15	Mar. 31
Negus Mines	2½c	Mar. 23	Mar. 10
Ottawa Elec. Rly.	30c	Apr. 1	Mar. 10
O'Brien Gold	3c	Mar. 23	Feb. 28
Ottawa L. & Pr.	15c	Apr. 1	Feb. 10
Do., pref.	$1.25	Apr. 1	Feb. 10
Para. Pictures	†20c	Apr. 1	Mar. 16
Do., 1st pfd.	†$1.50	Apr. 1	Mar. 18
Power Corp., pref.	■$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	■75c	Apr. 15	Mar. 31
Paton Mfg.	50c	Mar. 15	Feb. 28
Do., pref.	$1.75	Mar. 15	Feb. 28
Perron Gold	■4c	Mar. 20	Feb. 28
Do., extra	■1c	Mar. 20	Feb. 28
Pickle Crow	10c	Apr. 30	Apr. 15
Pioneer Gold	10c	Apr. 1	Feb. 28
Porto Rico Pwr., p.	$1.75	Apr. 1	Mar. 14
Preston E. Dome	5c	Apr. 15	Mar. 31
Price Bros., pfd.	$1.37½	Apr. 1	Mar. 21
Regent Knitting pfd.	‡40c	June 1	May 15
Do., c.	25c	Mar. 16	Mar. 2
Reliance Grain, p	$1.62½	Mar. 14	Feb. 28
South. Can. Pwr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Sunset Oils	1½c	Mar. 16	Mar. 5
San. Antonio Gold	7c	Apr. 20	Apr. 4
Do., extra	3c	Apr. 20	Apr. 4
Sher.-Williams, pf.	$1.75	Apr. 1	Mar. 15
Do. ordinary	15c	May 1	Apr. 15
Sheep Creek G.	4c	Apr. 15	Mar. 31
Do., extra	1c	Apr. 15	Mar. 31
Simon & Sons	15c	Mar. 28	Mar. 13
Do., extra	15c	Mar. 28	Mar. 13
Do., pref.	$1.75	Mar. 28	Mar. 13
Siscoe	2c	Mar. 16	Feb. 13
Stedman, c.	15c+30c	Apr. 1	Mar. 20
Do., pf.	75c	Apr. 1	Mar. 20
Sylvanite	5c	Mar. 28	Feb. 14
Stand. Paving, pf.	31¼c	Mar. 16	Mar. 5
Sturgeon River G.	2c	Apr. 30	Apr. 15
Sudbury Basin	2½c	Mar. 31	Mar. 12
Sullivan Cons.	3c	Mar. 16	Feb. 18
Sec. Std. Rylts., pf.	1c	Mar. 16	Feb. 20
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Toronto Elevators, p.	65c	Mar. 7	Feb. 26
Tor. Gen. Trusts	$1	Apr. 1	Mar. 14
Union Gas	20c	Mar. 14	Feb. 20
Ventures	■10c	Mar. 31	Mar. 10
West. Can. Hyd., pf.	20c	Mar. 1	Feb. 20
Western Assur., c.	$1.20	Apr. 1	Mar. 27
Wr. Hargreaves	10c	Apr. 1	Feb. 25
Walker-Good.	$1	Mar. 16	Feb. 20
Do., pref.	25c	Mar. 16	Feb. 20
Waite Amulet	10c	Mar. 10	Feb. 14
Young Davidson	2c	Mar. 20	Mar. 10

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board. *Initial.
‡Also 40c payable Sept. 1 and Dec. 1.
▲On arrears.
§Eliminates arrears.

Trans-Canada Air Line Changes

W. R. CAMPBELL J. J. ROBINSON G. E. GRAY

Staff changes in the Traffic Department of Trans-Canada Air Lines are announced by W. J. Dalby, acting general traffic manager. W. R. Campbell, formerly traffic representative, Toronto, has been appointed city traffic manager at Ottawa; J. J. Robinson, formerly at Montreal, succeeds Mr. Campbell at Toronto, and G. E. Gray, formerly traffic representative at Toronto, succeeds Mr. Robinson at Montreal.

Winnipeg Electric Co. directors have authorized payment of interest at the rate of 4% per annum on the general mortgage bonds and debenture stock series B. Payment will be made on May 1. Similar payments have been made each year since 1935.

Commencing next year the series B bonds go on a 5% income basis, which stands until 1946, when the bonds go on a fixed basis payable semi-annually. From 1935 to 1942 the bonds are on a 4% income basis.

Saguenay Power Co. has called for redemption on April 1 next at 104 and accrued interest $67,000 par value of its 4½% first mortgage series B bonds, payment to be made in Canadian funds.

These bonds to an amount of $5 millions were issued in 1936. The current "call" is the first operation under the sinking fund which is designed to retire $19.1 millions of the $30 millions of both series A and B before maturity in 1966.

Coarse Grain Trade to U.S. May Be Freed

From Our Own Correspondent

WINNIPEG.—Negotiations are expected between the Canadian and United States governments looking to freer movement of Canadian grain across the border. The simplest form these might take would be removal of the American tariff on feed grains from Canada. If considered necessary for Canada to make corresponding concessions on agricultural products it could be in respect to corn, soy beans and soy bean oil imported from the United States.

On the strength of such arrangements the Canadian government could afford to offer guaranteed prices for flax-seed, oats, barley and rye produced in western Canada during the next crop year.

Should such guarantees result in more grain coming forward than the Canadian market would absorb, export permits for specified quantities could be issued, or conceivably the Canadian government might have to buy up certain limited quantities and itself export them across the line, possibly at a profit or possibly at a loss. In view of the fact however, that Canadian prices, held down by the ceiling, are less than probable values across the line, there would not appear to be any great likelihood of a loss.

There could be a more substantial development of the business if the United States government would announce its willingness to purchase specified, or possibly indefinite quantities of Canadian flaxseed and feed grains.

Such a policy would demand reversal of the present Canadian export bans, designed to keep livestock feeds in Canada, but would help solve other Canadian problems, notably the vegetable fats shortage.

Brush Bristles Scarcity Seen

On the commodity markets much interest recently has centred in Chinese bristles for paint brushes which are expected to become very scarce following the closing of the port of Rangoon. The bristles used in paint brushes in Canada and the United States come mostly from the wild hog found in Russia and China. With China as the chief source of supply.

Supplies of farm products are expected to become more plentiful in coming months with United States farmers going out after new production records. It will be some time however before this will make itself felt in cattle. The supply of bacon hogs may become larger within the next year.

Hide prices have been firm under control with a good demand from tanners for hides for shoe leather for the increasing number of men in the armed forces.

	Latest week	Previous week	Same week last yr.
Cattle	$10.50	$10.25	$9.75
Hogs	15.25	15.25	11.60
Copper, lb.	.12	.12	.12
Cotton, lb.	.2016	.2003	.1094
Sugar, raw, lb.	*.0374	.0374	.0305
Wheat Man. (bu.)	.76⅜	.78¼	.75½
Coffee, lb.	*.09⅜	.09⅜	.06
Hides	*.15½	.15½	.13
Weekly Indices			
Wood, Gundy	76.7	76.5	67.9
U. S. Labor	96.5	96.2	80.4
Dow Jones (future)	87.07	87.22	58.03
Fishers	102.2	102.6	85.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Jan.)*	115.4	115.8	108.3
W'sale (Jan.)	94.3	93.6	84.6
U. S. (Nov.)	92.5	92.4	79.6
Gt. Brit. (Nov.)	155.2	154.6	146.9

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

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DIVIDEND NOTICES

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held February 25th, 1942, a dividend of fifty cents (50c) per share was declared upon the outstanding Capital Stock of the Company, payable April 1st, 1942, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record March 16th, 1942.

Cheques will be mailed to Shareholders.

By order of the Board,
W. E. SPRAGUE,
Secretary.

Hamilton, Canada, February 27th, 1942.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st March, 1942, payable 15th April, 1942, to shareholders of record 16th March, 1942.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, February 25th, 1942.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st March, 1942, payable 1st April, 1942, to shareholders of record 5th March, 1942.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, February 25th, 1942.

DIVIDEND NOTICES

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE IS HEREBY GIVEN THAT

A Final Dividend (No. 146) of Seventeen and one-half cents (17½c) per share on the paid-up Ordinary Shares of the Company for the year ended 31st December, 1941, has been declared payable on Tuesday, the 31st day of March, 1942, to shareholders of record at the close of business on Friday, the 13th day of March, 1942.

An Interim Dividend (No. 147) of Ten Cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Tuesday, the 31st day of March, 1942, to shareholders of record at the close of business on Friday, the 13th day of March, 1942.

A Semi-Annual Dividend (No. 60) of Three per cent (3%) on the paid-up Preference Shares of the Company has been declared payable on Tuesday, the 31st day of March, 1942, to shareholders of record at the close of business on Friday, the 13th day of March, 1942.

By Order of the Board,
A. L. ROBERTSON,
Secretary.

MONTREAL, P.Q.
27th February, 1942.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable **WEDNESDAY, THE FIRST DAY OF APRIL** next, to Shareholders of record at the close of business on the Fourteenth day of March 1942.

By order of the Board.
Walter F. Watkins,
Secretary.

Toronto, February 25th, 1942.

DIVIDEND NOTICES

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending March 31st, 1942, payable April 1st, 1942, to shareholders of record at the close of business March 14th, 1942.

By Order of the Board.
E. W. McNEILL,
Secretary.

Dated at Toronto,
February 19th, 1942.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of two dollars per share for the quarter ending March 31, 1942, has been declared on the Common Stock of the Company.

That the above dividend is payable on April 1, 1942, to shareholders of record at the close of business on March 14, 1942.

By Order of the Board.
W. H. NESBITT,
Secretary.

Toronto, February 26, 1942.

Central Patricia Gold Mines, Limited

DIVIDEND NO. 23
EXTRA DIVIDEND NO. 15

A dividend of 4c per share, and an extra dividend of 1c per share, making 5c per share in all, Canadian Funds, have been declared by the Directors on the capital stock of the company, payable the 30th day of March, 1942, to shareholders of record at the close of business on the 14th day of March, 1942.

Dated at Toronto this 26th day of February, 1942.

By Order of the Board,
C. R. ELLIOTT,
Assistant Sec.-Treas.

DIVIDEND NOTICES

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of Two Dollars per share has been declared payable on the 15th day of April, 1942, to shareholders of record at the close of business on the 23rd of March, 1942.

F. G. WEBBER,
Secretary.

Montreal, February 25, 1942.

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of the Company have declared a dividend of Fifty Cents (50c) on account of arrears on the Class "A" shares of the Company, payable April 1st, 1942, to shareholders of record the close of business March 14th, 1942.

By Order of the Board,
F. H. ELLIS,
Secretary.

ASSOCIATED BREWERIES of CANADA LIMITED

Dividend Notice

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 54) of 1¾% upon the outstanding Preferred Shares of the Company has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the First Day of April, 1942, to Shareholders of record at the close of business on the Tenth Day of March, 1942.

NOTICE IS ALSO GIVEN that a Dividend (No. 51) of Twenty-five Cents per share on the No Par Value Common Shares of the Company, issued and outstanding, has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Thirty-first Day of March, 1942, to Shareholders of record at the close of business on the Tenth Day of March, 1942.

By Order of the Board,
I. N. WILSON,
Treasurer.

Calgary, Alberta,
February 27th, 1942.

DIVIDEND NOTICES

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of twenty-five (25c) cents per share for the Quarter ending March 31, 1942, together with an extra Dividend of twenty-five (25c) cents per share, making a total of fifty (50c) cents per share, has been declared on the No Par Value Common Stock of the Company, payable April 18, 1942, to shareholders of record at the close of business on March 31, 1942.

By Order of the Board.
C. E. GREARSON,
Secretary.

Montreal, February 26, 1942.

Imperial Tobacco Company of Canada, Limited

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Ordinary General Meeting of the Shareholders of Imperial Tobacco Company of Canada, Limited, will be held at the Head Office of the Company, 3810 St. Antoine Street, Montreal, on Tuesday, the 24th day of March, 1942, at two-thirty o'clock in the afternoon.

The Register of Transfers will be closed from 14th March to 24th March, 1942, both days inclusive.

DATED AT MONTREAL this 27th day of February, 1942.

By Order of the Board,
A. L. ROBERTSON,
Secretary.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1942.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1942.

Subject to the approval of the Foreign Exchange Control Board the above Dividends will be paid on Wednesday, the 1st day of April, 1942, to Shareholders of record at the close of business Monday, the 16th day of March, 1942.

By Order of the Board.
MERVYN OFFER,
Secretary.

Montreal, 24th February, 1942.

DIVIDEND NOTICES

ASSOCIATED BREWERIES of CANADA LIMITED

To Holders of Preferred Shares:

NOTICE IS HEREBY GIVEN that for the purpose of carrying out the redemption of 500 of the Preferred Shares of the outstanding issue of this Company, and pursuant to Resolution of the Board of Directors and to the provisions of the Companies Act, 1934, the Registers of Transfers of Preferred Shares will be closed from the close of business on April 15th, 1942, to the commencement of business on April 25th, 1942.

Dated at the City of Calgary, in the Province of Alberta, this 27th day of February, 1942.

I. N. WILSON,
Treasurer.

Canadian Celanese Limited

1401 McGILL COLLEGE AVENUE,
MONTREAL, P.Q., CANADA

February 25, 1942.

The Board of Directors has this day declared the following Dividends:

7% CUMULATIVE PARTICIPATING PREFERRED STOCK

A Participating Dividend of One Dollar and Fifteen Cents ($1.15) per share, payable March 31, 1942, to holders of record at the close of business March 17, 1942.

A Dividend of One Dollar and Seventy-five Cents ($1.75) per share, which shall be deemed to be for the three months period January 1, 1942, to March 31, 1942, payable March 31, 1942, to holders of record at the close of business March 17, 1942.

COMMON STOCK

A Dividend of Twenty-five Cents (25c) per share in respect of the first quarter of 1942; and, in addition, an extra dividend of Twenty-five Cents (25c) per share, payable March 31, 1942, to holders of record at the close of business March 17, 1942.

H. BLANCKE,
Secretary.

Miners to Meet Next Monday

Expect 1,000 at C.I.M.M. Rally—R. A. Bryce Next President

Advance indications point to a record-breaking attendence at the Canadian Institute of Mining and Metallurgy annual convention which will open at the Royal York Hotel, Toronto, on Monday, March 9, continuing to the following Wednesday.

A total of 700 rooms are already stated to have been reserved at the Royal York Hotel for the convention and 600 to 700 people have indicated their intention of attending the skating carnival at the Maple Leaf Gardens on Monday night. Total attendance may reach 1,000 or more.

R. A. Bryce New President

Incoming president of the C.I.M.M. for 1942 is R. A. Bryce, president of Macassa Mines. He will suceed Professor W. G. McBride of McGill University. Vice-presidents on the incoming executive will be: J. F. Walker, for British Columbia; F. J. Mitchell, representing Alberta; J. S. Morrey for Saskatchewan and Manitoba; J. R. Gill, for Ontario; J. G. L. McCrae, for Quebec; and H. B. Gillis, representing Nova Scotia.

The committee looking after details of the convention in Toronto is under the chairmanship of Dr. George G. Langford of the University of Toronto. Vice-chairman is N. F. Parkinson with L. I. Hall secretary. The ladies committee is under the chairmanship of Mrs. Oliver Hopkins.

Review "Powder Metallurgy"

An outstanding feature of the convention is expected to be a speech by John Wulff of the Massachusetts Institute of Technology on "Powder Metallurgy." He will give an illustrated lecture open to all mining and war workers at 3 p.m. Mar. 10.

Mr. Wulff will demonstrate how iron can now be taken as a powder and crushed into serviceable form, saving all the machining necessary to make a great many of our present iron and steel products. This is described as a sensational development in the United States.

Bateman at Luncheon

The general emphasis of the convention will be on war metals. Mr. G. C. Bateman, the Metals Controller, will give a luncheon speech and is expected to touch on war metals. Dr. G. F. Loughlin, chief geologist, metalliferous deposits section of the United States Geological Survey will speak at the dinner on Tuesday.

Other papers to be given are: Rock Bursts by A. B. Yates, Ventilation in Prevention of Silicosis by C. S. Gibson, and Diamond Drill Stoping by A. A. McCloskey.

During the course of the convention an institute "Victoria Cross" award for bravery will be made to a Normetal miner who saved a trapped fellow worker from being killed by an explosion, narrowly escaping being killed himself.

Morrison Gets Inco Award

The International Nickel award for an outstanding contribution to Ontario mining will go to R. K. G. Morrison, manager of one of the large Indian mines in Mysore who made a study of rock-bursting conditions in Ontario a year or more ago.

The convention will close Wednesday night with the banquet and dance. The largest annual gatherings of the institute in the past have taken place in Toronto. Location between the eastern and western mining industries and close to the mining industry of northern Ontario allows a wide representation from the entire Dominion.

Mining INVESTMENTS

Renabie Mines, Macassa subsidiary, has been opening up ore underground that suggests this Sudbury property may eventually become the area's second major gold producer. Jerome Gold Mines, which reached production last August, is the only major gold producer to emerge in the area so far although there have been a considerable number of smaller producers.

The Renabie property is outstanding in that gold ore bodies are found in granite formation, a formation prospectors consider unfavorable for commercial gold deposits. Underground work has confirmed surface drilling results, however, and it appears that the granite has been anything but unfavorable in this case. Development on the second level at 250 ft. is not as far advanced as the 125-ft. level work but ore is being opened up there as well as on the upper horizon.

* * *

The Engineering & Mining Journal, in its February issue, reviews the outlook for gold mining as seen by its Washington correspondent. The gold mining industry in both the United States and Canada is seen as likely to be handicapped in future operations "as difficulties mount in getting needed labor and supplies." It states that there has already been some restriction on supply of equipment and materials for active gold mines and that with the United Nations striving for an all-out war effort "there can be little doubt that allocations of machinery and steel products generally for the use of the gold mining industry will be made with increasing reluctance." If "positive action" is taken, reduction in gold production might reach "unprecedented proportions," the E. & M. Journal correspondent thinks.

* * *

Turning to the role of gold, the Engineering & Mining Journal writer says that passage of the Lease-Lend Act removed "the last possible argument that gold had a role to play in this war." To support his thesis, the writer says that foreign gold production, together with United States production "are increasing the United States gold stock at the rate of about $500 millions a year."

If the writer had read The Financial Post second front page story on gold two weeks ago, he would have realized how fallacious his statement was regarding the United States export-import position in gold. Actually, the United States has been a net exporter of gold in recent months with gold set to work to purchase needed war materials in other parts of the world including South America.

* * *

Falconbridge Nickel Mines is believed to have experienced a sharp upturn in profits the last quarter of 1941. Deducting profits for the first nine months from the total for the year, earnings in the last three months of 1941 were $296,308 or 8.9 cents a share. This represents an annual earnings rate of over 35 cents a share.

While the profit figure mentioned for the last quarter of 1941 is believed to be close to the actual situation, it may possibly be somewhat in error. Certain costs may have been estimated for the first nine months and year-end adjustments usually affect last quarter results.

* * *

Many gold comments, too numerous to print, have been received since publication of the National Mining Number of The Financial Post on Feb. 21. In many cases the importance of continued gold production is stressed. The Timmins Press under the heading "The Gold Question" says this of The Post's coverage of gold:

A copy of this week's Financial Post should be placed in the hands (or stuffed down the throat) of every one of those "experts" who have been prating about the possibility of gold losing its value as a medium of international exchange.

In an edition packed with facts about the gold industry and its importance to Canada at war, The Post this week answers every one of the arguments put forward by the gloom-spreaders in the gold camps of the North.

Dominion Gold Production Holds Near Record Level

While a possibility exists that Dominion gold production has passed its wartime peak, figures available do not indicate any sharp tendency for gold production to decline aside from the Kirkland Lake situation.

As one mining authority expressed it to The Financial Post, some slight decline in gold production may be normal now. But any decline is not expected to reflect so much reduction in output by the individual mining company as a decline in mine-making the last two years which is only now being reflected in production figures.

Only 14 new properties were brought into production in 1941 as against 16 in 1940. This year the number of new producers perhaps may be counted on one hand, it is felt. At the moment, there are only four or five gold mining properties under development which show real possibilities of becoming producers.

With equipment for new gold mines or expansion of present ones unavailable due to a low priority rating, many producing gold mines themselves are rapidly turning their exploration departments toward the search for strategic war metals instead of gold. But majority of the established mines continue to produce at an even tenor with the notable exception of the Kirkland Lake area, still feeling the after effects of the abortive C.I.O. strike.

Dominion gold production in December totalled $16.1 millions. While this was considerably lower than the 1941 high of $18 millions in August, it was still above the Feb., 1941, figure of $15.9 millions. If the Kirkland Lake strike had not been in effect in December, output would probably have been in the neighborhood of $17.3 millions for the month or above the monthly average for 1941.

For over a year, gold mines have been turning out all the gold possible at the request of the Dominion government. At some mines a policy has been followed of treating the better grade ore—the high grade—as a "patriotic duty." Treatment of higher than average grade ore cannot be kept up indefinitely, however, and production may show a declining tendency at some mines for this reason. A number of mines such as Preston East Dome have increased mill capacity the past year preventing treatment of lower grade ore from having an undue effect on profits.

Deliveries of supplies for producing gold mines have shown a tendency to become slower as tremendous war demands must be met.

The labor situation was serious in the last war but even on this score the mines now appear to be in a better position. Mechanization has been stressed. Mucking machines and underground locomotive haulage equipment were installed. The large amount of mechanical equipment in use means that the amount of labor required for operations is not so great relatively as 25 years ago.

More than one mine could be named which in the first year of war carried out a big shaft sinking programme or pressed development ahead at a more rapid rate than usual just to be prepared for whatever might happen. The large mines in the Porcupine area—Hollinger, Dome and McIntyre—are good examples. Development has been kept well in hand and equipment has been kept modern. With elaborate machine departments, the large mine may in some instances be more fortunate than the smaller producer.

Public Utility Earnings

B. C. Power Corp.

January

	1942 $	1941 $
Gross income	1,794,977	1,586,238
Less: Expenses	1,344,045	1,131,174
Bond int., pfd. divd.	186,666	187,666
Balance A stock	264,266	267,398

Siscoe Gold Mines Works New Areas

President Tells Shareholders Dividend Limited By F.E.B.C. Ruling

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines' ore position is satisfactory, according to a statement made at the annual meeting of shareholders by A. H. Robertson, mine manager. At the same time, he said, he would like to see a higher average grade.

With regard to development work, Mr. Robertson told the shareholders that last year very little was done in new areas, but that this year more exploratory work is being done. It is planned to spend 50 to 75 cents a ton on new development.

The meeting was enlivened by lengthy criticism and discussion of various policies of the company, particularly with respect to investments and dividends. In answer to a shareholder who expressed the view that higher dividends should be paid, the president, J. B. Lynch, explained that the present dividends are the highest permissible under Foreign Exchange Control Board regulations, as dividends must not exceed earnings.

The Week In Oils

New Plan in Effect

From Our Own Correspondent

CALGARY.—The "Brown Plan," in modified form, went into effect in Turner Valley on March 1. Largely because of the completion of several large producers since the plan was proposed early in January, the application of the plan will not, as previously anticipated, reduce the oil output of the field.

As a matter of fact, the March allotment for Turner Valley's limestone crude oil wells is 27,790 bbls. per day, not including the yield from gas wells and shallow oil wells, or yield from new completions not yet operating under quota.

Under the former conservation plan, the field allotment for oil wells and gas wells combined was maintained at 26,000 bbls. per day.

In recent months, heavy completion production has boosted actual oil production beyond the 26,000 bbl. allotment. During December, oil yield averaged 26,569 bbls. per day, and in January it averaged about 26,449 bbls.

* * *

March Near Record?

During February, due to the completion of such wells as Major No. 4, Miracle Royalties No. 2, Foothills No. 10 and No. 11, Atlas-British Dominion No. 2 and others, actual yield rose to an all-time high of more than 28,500 bbls. per day. (These figures do not, of course, include natural gasoline recovered at absorption plants, amounting to about 1,100 bbls. per day).

It now appears probable that Turner Valley's oil output during March will closely tally with the record February yield. That is, oil yield plus natural gasoline, will likely average close to 30,000 bbls. per day.

With oil tankers being sunk with terrible regularity along both Atlantic and Pacific coasts, and with Canada's petroleum reserves none too great the fact that Turner Valley is putting out more oil than ever before and that the new Conservation Plan will not curtail output is welcome news to the nation.

* * *

Still Give Allowables

Under the modified Brown plan, formulated by Dr. George Granger Brown, allowables will continue to be expressed in bbls. of crude oil per day, not in cubic feet of gas per day as originally planned.

That is, the Conservation Board will each month calculate the approximate number of bbls. of oil per day delivered at the surface at each well, based on a reservoir fluid withdrawal rate of 25 bbls. per acre per day. The latest gas-oil ratio and formation pressure at each well will be vital factors, of course, in determining how much oil could be produced by each well.

The Brown plan itself will be adopted gradually, its full application being spread over several months. As no well is being allowed an acreage factor of more than 40 acres, the maximum reservoir withdrawal will be 1,000 bbls. of reservoir fluid per well per day.

* * *

Board a Factor

As cases where the Conservation Board believes a well is capable of operating efficiently at a higher rate than the maximum allowed, the maximum withdrawal rate may be modified. With perhaps one or two exceptions, however, it is generally felt that the maximum is high enough and that, in the interests of conservation, none of the wells now on production should be operated beyond this figure. Conservation—the efficient operation of oil wells—pays off in longer life and greater ultimate oil recovery.

Following is a comparative report on the top-ranking oil wells under the March, 1942 schedule, showing their daily allotments under the February and March schedules. The symbol * indicates a temporary allotment, subject to revision when board tests have been completed:

Well:	Mar.	Feb.
Major Oil Investments 3	1,009	1,103
Atlas-British Dominion 2	*909	...
Miracle Royalties 2	*862	...
Major Oil Investments 2	805	866
Miracle Royalties 1	791	834
Major Oil Investments 4	647	...
Home Millarville 2	645	639
Home Millarville 7	627	619
Ace Royalties Ltd. 1	593	665
Alberta Oil Incomes 2	555	544
Northwest Hudson Bay 6	501	541
Home Millarville 1	465	440
Royalite 58	459	532
Foothills 7	365	354
Home Millarville	353	341
Northwest Hudson Bay 5	344	363
Southwest Pete. 6	334	332
Foothills 5	321	369
Lion-Sunray 1	288	323
Royalite 48	288	289
Anglo Canadian 7	288	284
Pacific Pete. 5	287	274
Royalite 47	285	295

Cochenour Northeast Ore Widespread and High Grade

From Our Own Correspondent

RED LAKE.—New high-grade ore bodies have been opened up in the northeast sector of Cochenour-Willans Gold Mines in recent months which may prove of major importance.

In the new ore area, 650 ft. northeast of the shaft in the general area of the No. 311 ore body on the third level, three parallel ore bodies have been opened up on the second level with a northwest-southeast strike dipping flatly to the southwest.

Grade 0.45 to 1.0 oz. Gold

The No. 223 ore body—the most northerly—shows a length of 170 ft. grading 0.45 oz. gold across an average width of 6 ft. Seventy feet from it, the No. 221 ore body has been opened up for a length of 330 ft. grading an ounce gold across 5 ft. A further 105 ft. to the southwest the third ore body shows a length of 80 ft. grading 0.75 ft. over 6 ft. Bulk sampling, the drift sampling and back stoping, have confirmed the high-grade character of each ore body in recent months. All faces are open to the east and the west face on the No. 219 ore body is also open. Diamond drilling indicates the eastward extension of the No. 221 ore body while a diamond drill hole 90 ft. on dip above the level intersected a width of 5 ft. carrying visible gold.

The No. 311 ore body on a sublevel above the third level has been opened up for a length of 50 ft. Diamond drilling between levels indicates the body as being the continuity to depth of the No. 223 ore body.

Open Ore to South

All the ore recently has not been opened up in the new section. The No. 105 ore body on the first level located 700 ft. east of the shaft and 640 ft. south of the new ore bodies has been opened up for a length of 120 ft. with back sampling being done across a width of 12 ft. Bulk samples so far have averaged 0.75 oz. gold per ton.

Operating profit in the seven months ended Dec. 31, 1941, amounted to $317,372 with net profit before taxation of $249,374. On the basis of the present operating rate, it is thought that net profit for the year after all charges may be in the neighborhood of $350,000 or 13 cents a share.

Solving Ore Problem

The company continues to work on its problem of complex ore and considerable progress has been made. By sintering of concentrates, arsenic content is reduced to 3% and sulphur to 1% by weight. Shipment of the sintered product will reduce freight charges by 40% and eliminate high arsenic penalty charges. A change in the ratio of concentration has reduced the tonnage of concentrates and the smelting furnace is not being operated continuously. Bullion has been produced by smelting and cupelling but it has not been finally determined as to whether this may prove more effective and economic than shipment for smelter treatment of the sintered concentrate. The latter, it is estimated, will give an overall recovery of close to 95% with some reduction in milling and metallurgical expenses.

The company has recently purchased from Howey Gold Mines supplies and stores at a cost of $65,000 giving provision of critical materials for a long time.

Details of recent operating results are as follows:

1941:	Tons milled	Aver. recov. $	Total recov. $	Oper. profit $
June	5,090	10.32	52,545	14,185
July	5,270	13.03	68,680	29,868
Aug.	5,270	16.02	84,422	44,350
Sept.	5,049	18.66	94,211	55,992
Oct.	5,270	16.89	89,001	47,862
Nov.	5,190	23.12	119,980	78,691
Dec.	5,055	18.05	91,139	50,635

Mining Company Reports

Bidgood Kirkland

Despite labor difficulties encountered during 1941, Bidgood Kirkland Gold Mines realized an operating profit of $51,892 as contrasted with an operating loss of $74,861 the preceding year. After all charges loss was $3,447 in 1941 compared with $129,297 in 1940.

Mine and financial positions both showed improvement during the year. Ore reserves at Dec. 31, 1941 totalled 46,150 tons of $13.47 grade. At the end of 1940, it had not been considered feasible to estimate reserves. Good progress is stated to have been made in solving faulting problems in 1941. Further ore was found in the No. 20 and No. 6 veins and the No. 2 shaft was completed to 1,358 ft. to allow further exploration at depth.

Taking investments at market, working capital was increased about $25,000 to $92,551.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion sales	467,890	404,546
Add: Sundry revenue	7,868	8,315
Total income	475,758	412,861
Less: Current develop.	128,424	175,159
Mining	179,740	197,206
Milling	66,638	70,126
Admin. & general	37,933	32,050
H. O. expense	10,483	12,556
Taxes	648	625
Oper. profit	51,892	*74,861
Less: Depreciation	55,087	27,985
Interest	252	......
Development w/o	......	26,451
Net loss	3,447	129,297
Add: Prev. deficit	482,279	352,982
Deficit forward	485,726	482,279
*Loss.		
Earnings Per Share and Dividend Record:		
Earned	d$0.001	d$0.035
None paid.		
No. of Shs. Outstand.	3,731,715	3,706,715
Working Capital		
Current assets*	111,255	99,218
Current liabilities	18,704	30,289
Working capital	92,551	68,929

*Taking investments at market.

Macassa Mines

Highlights of the 1941 annual report of Macassa Mines include:

Earnings slightly lower at 37.7 cents a share against 40.5 cents the preceding year, the strike interfering with 1941 operations.

Development at the subsidiary—Renabies Mines—of 501 ft. of ore grading 0.36 oz. across 8.4 ft. on two levels.

An increase in ore reserves by some 50,000 tons to 507,350 tons of 0.451 oz. grade at the company's own mine.

At present mill capacity of 420 tons a day, ore reserves are sufficient for well over three years' milling requirements. While some development was done on the 2,800, 3,000 and 3,225-ft. levels in 1941, the bulk of work was completed in the section from 3,600 ft. to present bottom level at 4,125 ft. On the bottom level at 4,125 ft., 659 ft. of ore has been opened up grading 0.52 oz. across an average width of 7.2 ft. with the greater part of the favorable formation at this horizon remaining to be explored.

The strike which brought a severe reduction in production in November and December was terminated on Feb. 12.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion production	2,521,389	2,680,188
Less: Oper. expenses	969,735	1,034,369
Oper. earnings	1,551,654	1,645,819
Add: Sundry revenue	29,096	31,349
Net earnings	1,580,750	1,677,168
Less: Depreciation	117,560	125,615
Taxes	452,772	360,851
Develop. w/o	......	105,275
Net profit	1,010,418	1,085,427
Less: Dividends	937,324	937,324
Surplus for year	73,094	148,103
Add: Prev. surplus	408,321	401,188
Less: Outside explor. w/o	15,537	27,514
W/o securities	29,096	......
Extra taxes	......	18,417
No. 2 shaft w/o	......	95,039
Surplus for year	436,782	408,321
Earnings Per Share and Dividend Record:		
Earned	$0.377	$0.405
Dividends	0.35	0.35
No. of Shs. Outstand.	2,678,068	2,678,068
Working Capital	$	$
Current assets*	950,612	1,121,906
Current liabilities	491,780	456,452
Working capital*	458,832	665,454

*Taking investments at market value which was lower than cost.

B. C. Continues Oil Drilling

From Our Own Correspondent

VANCOUVER. — Although the provincial Legislature authorized drilling by private enterprise in British Columbia's Peace River area, thus reversing the policy of the Pattullo government which had maintained a state monopoly in that field for several years, the new coalition government has decided to proceed with the financing of drilling on its own account.

In adopting this programme the government is following the advice of Dr. G. S. Hume of the Dominion Geological Survey.

Examined Data

Dr. Hume did not examine the Commotion Creek area, where the government's well is located, but he made an exhaustive survey of data already prepared on the subject.

Dr. Hume, told the government that while the government was unlikely to strike oil for another 3,000 ft.—the well is already down 5,500 ft.—another 1,000 ft. might very easily yield "critical data" on which to base subsequent plans.

The government is not committed to drill to any specific depth, but it has $100,000 for the purpose appropriated at the recent session of the Legislature, as well as $125,000 surplus in the account from previous years.

Howey Clean-up Boosts Cash

From Our Own Correspondent

RED LAKE.—While milling revenue the last quarter of 1941 at Howey Gold Mines was only $70,000 due to the shutdown following the mine collapse, a further $130,000 in gold was recovered from the final mill clean-up.

Salvage of supplies and equipment now proceeding is expected to bring in a substantial amount. Supplies sold to Cochenour-Willans Gold Mines, for instance, are reported to have brought in $65,000. Negotiations are pending for sale of the mining and milling equipment for which a ready market exists due to the equipment shortage caused by the war.

Working Capital Large

Taking East Malartic holdings at market value, working capital was $2.3 millions at the beginning of 1941 or 46 cents a share. The holding in East Malartic is equivalent to one East Malartic for each eight Howey shares. With dividends covered by operating profits and East Malartic dividends in 1941, working capital shows no great change from the beginning of 1941, it is understood. Market value of East Malartic holdings may be somewhat lower but sale of equipment will tend to boost working capital.

Howey is actively searching for outside properties of merit but no great success has been met with as yet. With an experienced technical staff, investigations are being continued. Working capital would probably be sufficient to bring two mines into production if suitable properties were available.

Bache Says Gold "Tops" But Politics a Factor

Reaffirming his confidence in gold as the best trade medium yet found, Jules S. Bache, president of Dome Mines and well-known United States investment authority, tells The Financial Post he believes gold production will continue uninterrupted despite the war as the mines can be operated by labor not eligible for military service. However, Mr. Bache notes that gold has become to a great extent a political issue and future developments must be qualified by a political proviso.

Text of Mr. Bache's statement to The Post reads as follows:

"The question of gold production is so much a political one that I would be loath to express an opinion. But as all governments require as heavy taxes as possible and as gold mining could be done by labor which need not reduce the fighting forces, I believe that it will be fostered in every way.

"The importance of gold is registered by the assistance that it gives to nations that produce it to meet their foreign debts, being at the present moment the only thing in which foreign debts can really be paid since transport is almost entirely limited to war material.

"The future value of gold need not come into question until some intelligent and respected economic authorities can tell the world what could be used in its place."

Balmer Neilly, treasurer of McIntyre Porcupine Mines, is in entire agreement with Mr. Bache on the vital role of gold. Mr. Neilly says there is absolutely nothing wrong as far as gold is concerned. He considers it superfluous even to write about gold, it is so obviously a necessity in exchange of commodities.

Opinions of Mr. Bache and Mr. Neilly are typical of many others reaching The Financial Post.

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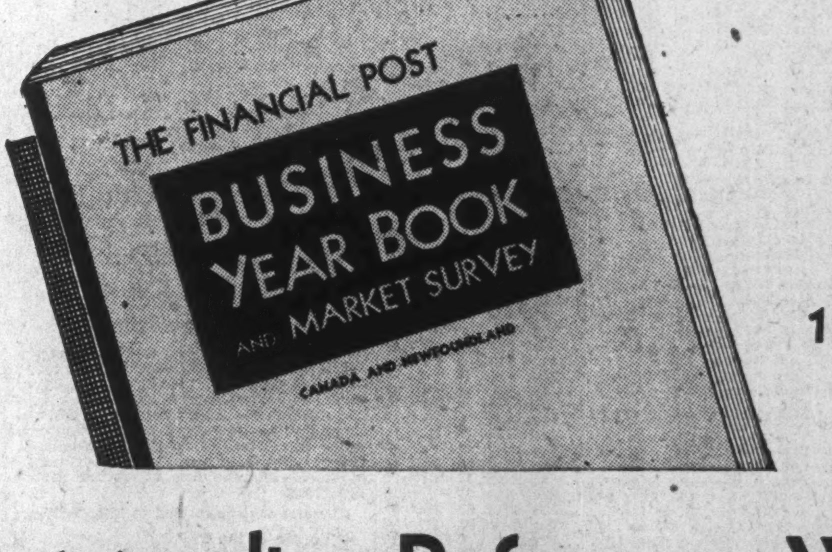

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Magnesium—New Metal of War and Peace

Key Part Played by Canadian Process in Breaking War Bottleneck

By GORDON M. GRANT

No more significant development in the whole field of nonferrous metals has taken place since the outbreak of war than the current, almost breathtaking, development in the magnesium field. The relatively unknown metal of yesterday is blossoming into a "metal of tomorrow," holding promise of eventually becoming as common as aluminum or copper—and quite likely as cheap.

Magnesium today provides the outstanding example of how scientific achievement—Canadian scientific achievement—can dovetail with an abundant raw material to turn out a new metal in quantity. Stepping up U. S. productive plans for magnesium from 400 to 725 million pounds a year—as announced by Director of Materials William L. Batt of W.P.B. late last week—indicates the way the metal magnesium is coming to the fore.

A few years ago magnesium was just another item in the table of elements. By 1940 the United States turned out 12.5 million pounds. In 1941 output was more than doubled at 33 million pounds. Before Pearl Harbor, the huge output of 400 million pounds of the white light metal was planned a year. Even this objective has now been nearly doubled.

Of significance to Canadians is the fact that the newly-developed Canadian ferro-silicon process of Dominion Magnesium Co., evolved in the National Research Council laboratories at Ottawa, is expected to be used by at least four United States firms—American Metal Co., National Lead Co., Permanente Corp., and New England Lime Co. A somewhat similar new ferro-silicon process will also be used by Union Carbide & Carbon Co., and Ford Motor Co.

A total of 157 million pounds of the 325 million pounds a year step-up in the U. S. programme will constitute capacity using the ferro-silicon method. It is expected that in any further magnesium expansion plans, even greater stress will be laid on the new process which has certain advantages over the three or four other methods now used or contemplated.

Why Our Process Used

Two great advantages have been found for the Dominion Magnesium ferro-silicon process which makes it of tremendous importance to the war effort. First the plant cost is small compared with the electrolysis process. With raw materials limited at present, this has been a big factor in pushing the ferro-silicon process to the fore.

In the second place, plants using the ferro-silicon process can be erected quickly. Delay in getting the actual metal magnesium is small. Speed just now is perhaps as important as low plant cost.

Information as to relative cost of production per pound of magnesium metal and the cost of raw materials compared with the electrolysis method is not yet fully known.

The ferro-silicon process is simple compared with the present sea water-electrolysis process, a many stage operation which includes elaborate evaporation equipment. The Dominion Magnesium process will only require half the electricity of the electrolysis method, it is stated. The electricity saving possible by the Ford-Union Carbide ferro-silicon process is reported at 30 to 40% by the Wall St. Journal. While the Dominion Magnesium and Ford-Union Carbide processes both use the same principle, they are quite different recovery methods and were evolved separately.

Raw Material Limitless

Electrolysis of sea water has the advantage of a limitless supply of raw material. But the supply of material for the ferro-silicon process is just about limitless too. A dolomite deposit near Renfrew, Ont., is to be used by Dominion Magnesium Co. Some other raw material such as brucite might have been used, but officials preferred dolomite. While bauxite, the commercial ore of aluminum, is scarce or non-existent in many parts of the world, supplies of dolomite—for magnesium—are just about limitless. Practically every country in the world is believed to possess deposits of magnesium-bearing dolomite, a crystalline-lime rock. Magnesium content of the dolomite varies and some deposits are more desirable than others. While the supply of dolomite is great, ferro-silicon and other raw materials must be made available for production of magnesium by the ferro-silicon process.

An "Armchair" Mine

When Dominion Magnesium officials decided they wanted a dolomite deposit to produce magnesium, finding a suitable dolomite deposit was just about an armchair proposition. The Dominion government some time ago had made a survey of Canadian dolomite deposits and it was just about possible to decide which would be best before prospectors were sent out at all. The deposit near Renfrew was selected in this way and is expected to be adequate for any magnesium production at present planned in Canada.

Mining of dolomite at the Dominion Magnesium property will be carried out by quarry methods which will mean very low mining costs. The plant, which is stated to be now going ahead according to plan, is expected to reach production around midsummer, probably in July although no predictions are being made by officials as to when the metal will actually be turned out.

Research work on magnesium is continuing at Ottawa. With an abundant source of raw material available, future use of magnesium may become very great. "Without a doubt magnesium is likely to be produced as cheaply as aluminum—in quantities" is the opinion expressed to The Financial Post by a man connected with the undertaking. Actually, marketing of magnesium has already been carried out by Dominion Magnesium. Production of the metal in the pilot laboratory of the National Research Council commenced as early as June, 1941, and the metal has been disposed of commercially since then. The metal runs remarkably pure. An ingot shown to The Post was stated to run purer than 99.97% magnesium.

The new plant to be operated by Dominion Magnesium is expected to take care of all Canadian requirements for magnesium. Another plant, which it had been planned to have Consolidated Smelters operate, has been definitely shelved.

Expansion Simple

Undoubtedly the tremendous expansion in magnesium production planned in Canada and the United States is due in part to the relative ease with which an increased output can be secured. Aluminum expansion is paralleling magnesium expansion in the United States. While aluminum is now a much cheaper metal to produce, magnesium has the advantage of a home raw material, whereas bauxite for aluminum has to be imported from South America. While it is estimated a third of the earth's crust is aluminum, the number of commercial sources of aluminum have so far been definitely limited. To make aluminum it is necessary to import cryolite from Greenland, another demand on limited shipping resources.

See New Uses After War

A tremendous postwar growth in use of both magnesium and aluminum is expected. Possibly a research programme will be instituted to do a job on these metals similar to that on nickel after the last war. After the last war, practically no peacetime uses existed for nickel but research made it a most essential peacetime metal. With aluminum and magnesium productive facilities being steadily expanded, development of aluminum and magnesium alloys and uses is likely to be big business after the war. Our standard of living may be the higher because of it.

Possibly magnesium may take over some aluminum uses after the war. Aluminum, in turn, may invade some present uses of copper. As the richer sources of copper and other non-ferrous metals throughout the world become more fully exploited, it is expected the emphasis will be on a wider use of aluminum and magnesium.

Magnesium production will be entirely devoted to the war for the duration. It is a most important aircraft metal, its weight being a third less than that of aluminum. It is also an important part of the incendiary bomb. The incendiary bombs used in the European war weigh about two pounds and consist of a case or shell of magnesium alloy filled with a thermite mixture of granulated aluminum, iron oxide and sometimes a little magnesium powder. The impact detonator ignites the thermite, which burns at 3,000 degrees centigrade and in turn ignites the magnesium shell casing, which burns at 1,300 degrees centigrade; both flames are practically impossible to extinguish, yet they burn so quietly that a serious fire may be started before measures are taken to control it. A large bomber can carry 1,000 to 2,000 of these light bombs.

License Other Producers

The Dominion Magnesium Co. offered its ferro-silicon process to the Dominion and U. S. governments and other companies are now being licensed to use it. The process was actually developed by Dr. Lloyd Pidgeon in Ottawa. Dominion Magnesium Co. is backed in its work by Toronto financial interests, including Bobjo Mines, Moneta Porcupine Mines, Ventures Ltd., Sudbury Basin Mines and Fahralloy (Canada) Ltd.

Robert J. Jowsey, president of Bobjo and Walter Segsworth, president of Moneta Porcupine, have been active in directing Dominion Magnesium and superintending erection of the plant near Renfrew for which the Dominion government is paying $2.75 millions for a government-owned plant.

Conference Settled on Process

Authorities in Washington seem to be in agreement now that the ferro-silicon process is the best answer to the question of increased magnesium production. Two months ago it became apparent that some of the principal new magnesium projects, sponsored by people who had never produced any of the metal, were meeting with difficulties. Washington authorities called a meeting of magnesium experts to see what should be done. Representatives of Dow Chemical, Canadian interests, Union Carbide, Ford, Du Pont, Westvaco Chlorine and many others attended. The problem was attacked in a technical way. The ferro-silicon process was selected as the proper method to use to supplement electrolysis production. Information was pooled and the companies were selected to go ahead with the production.

Magnesium is the "Metal of Tomorrow." One of the lightest of metals—a third lighter than aluminum—it is stout and tough when alloyed with 10% aluminum. In warfare it is of inestimable value in both aircraft construction and manufacture of incendiaries.

But great as the importance of magnesium is to the war effort, a still greater role is expected after the war. Magnesium is one metal on which no limit to the supply is indicated. Streamlined trains, light vacuum cleaners and an abundance of new metal uses are indicated for after the war.

Mining Concentrates

Amalgamated Kirkland Mines is expected to have its drive from Macassa resumed about the middle of March.

* * *

Aquarius Porcupine Mines has resumed diamond drilling with a total of 4,000 ft. of diamond drilling completed. It is planned to put down holes along a total length of 2,100 ft., some 700 ft. northeast of the original showing. First hole is already down to 475 ft. depth. Two gold-bearing zones were outlined in a 1940 drilling programme.

* * *

Bidgood Kirkland Gold Mines is stated to be handling 125 tons of ore a day the same as before the strike. It required only a few men to refill labor ranks after the strike. Ore reserves starting 1942 are reported better than 46,000 tons grading approximately $13.50 per ton. This is said to be the first year in some time the company has been able to show more than a year's ore in reserve.

* * *

Chesterville Larder Lake earnings for 1941 are reported in the neighborhood of 22 cents a share compared with 18.7 cents the previous year.

* * *

C. I. M. M. convention this year is at the Royal York Hotel, Toronto. It starts March 9 and continues to Mar. 11. Canada's war effort and mining and metallurgical development surrounding it will form the theme of the convention. Last year's convention was held in Montreal.

* * *

Lake Rose Mines, in voluntary liquidation, is to offer its property for sale, either by public auction or in one parcel.

* * *

Numalake Mines at a special meeting on Mar. 7 will be asked to approve an increase in authorized capital from 500,000 to a million no par value shares.

* * *

Roche Long Lac Gold Mines carried on prospecting in the Gates Lake district, Little Long Lac, Connaught and Opeepeesway areas in 1941 with considerable assessment work carried out. Arrangements are being made to drill the Opeepeesway holdings where encouraging results were secured. Patents have been obtained on the more important Little Long Lac holdings.

* * *

Reno Gold Mines has called a new meeting of shareholders for Mar. 12, it is stated, to consider future plans and a specific recommendation to distribute $376,000 or 20 cents a share to shareholders. At a previous meeting, a similar proposal failed to secure approval because the vote for the proposal lacked 3,998 shares of the 75% required. Shareholders' committee appointed at the last meeting recommended distribution of 5 cents a share.

* * *

Renabie Mines, Macassa subsidiary, is reported to have opened up 501 ft. of ore averaging $13.86 per ton across average width of 8.4 ft. on two levels at 125 and 250 ft. depth. Further drill showings remain to be tested. Preliminary surface drilling indicated 320,718 tons of ore grading $8 uncut or $6.45 a ton cut.

* * *

The Ontario Government in conjunction with the T. & N. O. Railway is continuing experiments aimed at development of 100 million ton deposit of lignite located 126 miles north of Cochrane on the James Bay plateau.

* * *

Ventures interests are considering a small scale iron and steel operation at the Allenby mine on the west coast. Among present prospecting efforts are a mercury property in Peru, the Fleming copper property in Quebec, the Josephine iron property in Michipicoten, a tungsten property in California, an aluminum prospect north of Lake Superior and a number of iron properties in east and western Ontario.

* * *

Yama Gold Mines on Feb. 26, 1942, was granted permission for sale through any registered broker in Ontario of a total of $75,000 of 6% three-year bonds, together with 200 Yama shares per $1,000 bond. These bonds constitute a first charge against machinery, equipment, plant, etc., in accordance with an order issued by Hon. Justice McFarland on Jan. 28, 1942.

Calumet Mines Will Reorganize

From Our Own Correspondent

MONTREAL. — Shareholders of Calumet Mines Ltd. have voted approval of reorganization.

It is proposed to form a new company with an authorized capital of 3 million shares, of which 1,399,000 and notes will be given to the present company. Tentative name is New Calumet Mines Ltd.

Frobisher Exploration Co., subsidiary of Ventures and associates will take up 500,000 shares for $75,000, the money to be used for sinking operations. If the ore body proves up as indicated by diamond drilling, it is the intention to put up a 500-ton mill.

Shareholders of the present company will receive shares and notes in the new company in exchange for their stock.

Calumet is a zinc-lead-gold-silver property, located on Calumet Island, P.Q., in the Ottawa River about 60 miles west of Ottawa.

Douglas Mountain Manganese Mines on Feb. 6, 1942, granted an option to G. F. Cockburn on 100,000 shares at 55 cents per share payable $5,000 monthly for five months with the whole to be taken up within six months' time. Incorporated with Ontario charter in Jan., 1942, Douglas Mountain has authorized capital of 500,000 shares of $1 par value of which 166,671 shares have been issued. Funds from shares are to be used for exploring the manganese prospect Douglas Mountain, New Brunswick.

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OIL ROYALTIES
We recommend the purchase of
Hastings Royalty No. 1 Well.
Location LSD 3, Section 30, Twp. 21 R3W in the north end of Turner Valley. Ask your dealer for full particulars and price.
McDERMID, MILLER & McDERMID, LIMITED
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Look ahead in 1942—the news will be "hot"

Never in the history of newspapers has any year presented the "hot-news" prospect that looms ahead in 1942. Advertisers using newspapers this year will get the utmost in readership. Because of the flexibility of daily papers, unusual situations may be utilized to advantage, changes in business conditions explained speedily to a buying public, and there is an almost certainty of increasing circulations. New sales objectives and new opportunities arising from altered conditions will find daily newspapers ready to go into instant action in any given locality or from Coast to Coast.

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
Largest Classified Linage in Canada
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MONTREAL: E. R. CHOWN, Dominion Square Building

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for COMFORT and THRIFT!
FORD HOTEL MONTREAL
RATES: Single $1.50 to $2.50 NO HIGHER
FORD HOTEL TORONTO
and in OTTAWA ➔ The LORD ELGIN
RATES Single $2.50 to $3.50 NO HIGHER

"DON'T TALK NAIL POLISH TO ME WHEN I'M RUSHING TO SERVE DINNER"
NAIL POLISH

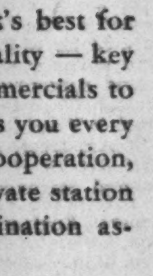
YOUR TIMING'S SWELL FOR MONTREAL—HOW ABOUT MOOSE JAW?

NETWORKS are great when you're running North and South on the same time belt—but Canada runs East and West across five time belts. When they're sitting down to dinner in New Westminster, they're getting ready for bed in New Carlisle. The network that hits the high spot of the day in Charlottetown may not click at all in Calgary.

That is why more and more of the *wise* radio buyers are turning to national spot programmes over All-Canada. All-Canada is the exclusive representative of key stations right across Canada. This enables you to select the time of day that's best for your product in each locality—key your programme and commercials to each local market—assures you every advantage of network cooperation, *plus* every advantage of private station high spotting. This combination assures sales results.

If you are not served by a recognized advertising agency, ask your nearest All-Canada representative to drop in and talk it over. He'll give you the breakdown instead of just a build-up.

ALL-CANADA RADIO FACILITIES Limited
MONTREAL • TORONTO • WINNIPEG • CALGARY • VANCOUVER



$570 Millions of Plant Expansion

Three-fourths of Total Goes to Munitions – Canada Pays Over Half Total

NOTE: In the accompanying table assistance by British government is marked †; Canadian government is marked *. Where the commitment is on joint account, the percentage distribution is stated.

Herewith The Financial Post presents the full record of the sums advanced and committed by the governments of Canada and the United Kingdom for wartime plant expansion in Canada. Tabled in the House of Commons the figures reveal that Canada's war productive capacity has been increased by nearly $600 millions.

General munitions	**$433,570,881**
Aircraft	**52,213,165**
Shipbuilding and ship repairs	**12,982,405**
Government-owned companies (expendit.)	**71,464,857**
TOTAL	**$570,231,308**

PARTICIPATION BY GOVERNMENTS

Government	*Amount*	*Percentage*
United Kingdom	**$184,387,039**	**32.3**
Canada	**225,067,907**	**39.5**
Joint	**160,776,362**	**28.2**
TOTAL	**$570,231,308**	**100.0**

The respective shares of the joint commitments are:

Government	*Amount*	*Percentage*
United Kingdom	**$ 87,307,626**	**54.3**
Canada	**73,468,736**	**45.7**

Allocation including the respective shares of joint commitments is:

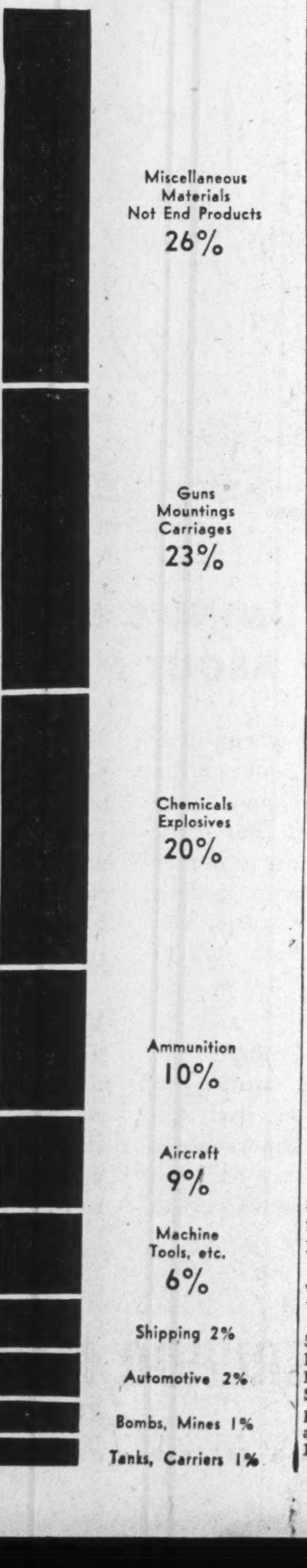
Government	*Amount*	*Percentage*
United Kingdom	**$271,694,665**	**47.6**
Canada	**298,536,643**	**52.4**
TOTAL	**$570,231,308**	**100.0**

Direct Government expenditure (not included in direct capital assistance or working capital) **$ 26,625,797**

General Munitions

Name of Company	Commitments
Accessories Mfrs. Ltd..	$ 4,429*
Ajax Deret Metal	23,477†
Alberta Fdry. & Mach.	148,211*
Alberta Nitrogen Co...	10,000,000
U. K., 66.7%—Can., 33.3%.	
Algoma Steel Corp.	17,299,000*
Algoma Steel Corp.	4,000,000*
Algoma Steel Corp.	20,683†
Allied Brass Ltd.	90,895*
Aluminum Co.	4,563,000†
Aluminum Co.	2,296,108†
Aluminum Co.	55,600,000†
Aluminum Goods Ltd..	532,819†
A. M. & T. Tool Co.	2,994*
Anaconda Amer. Brass	3,228,623*
Animal Trap Co.	39,627*
Babcock-Wilcox	272,766†
Babcock-Wilcox	42,358*
W. H. Banfield & Sons	141,871†
Bata Shoe Co.	28,050*
Bata Shoe Co.	179,289*
Bata Shoe Co.	136,600†
Beatty Brothers Ltd...	15,610*
Beatty Brothers Ltd...	53,027†
Robert Bell Engine	58,517*
Bendix Eclipse of Can.	319,779†
John Bertram & Sons	1,653,689*
Border Cities Industries Ltd.	9,290,334
U. K., 52.8%—Can., 47.2%.	
S. F. Bowser Co. Ltd..	70,056†
Can. Electric Castings.	79,859*
Canada Illinois Tools..	51,772†
Canada Illinois Tools..	15,000*
Canada Iron Foundries	16,887*
Canada Wire & Cable	5,200,000*
Can. Acme Screw & Gear	1,068,088†
Can. Car & Foundry..	2,380,691†
Can. Car & Foundry..	595,601*
Can. Car & Munitions	14,000,000
U. K., 87.5%—Can., 12.5%.	
Can. Elevator Equip...	200,291
U. K., 26.4%—Can., 73.4%.	
Can. Elevator Equip...	20,850*
Canadian Furnace Ltd.	350,000*
Can. General Electric	17,115,982
U. K., 17.5%—Can., 82.5%.	
Can. General Electric	1,922,513†
Canadian Locomotive.	989,630†
Canadian Locomotive.	220,000†
Canadian Locomotive.	91,800*
Canadian Motor Lamp	420,277†
Can. National Railway	37,494*
Can. Pacific Railway..	3,005,187†
Can. Pacific Railway..	1,490,000
U. K., 38.4%—Can., 61.6%.	
Can. Pacific Railway..	1,389,603*
Can. Pacific Railway..	20,393†
Can. Sum. Iron Works	45,000*
Can. Tube & Steel	441,424†
Can. Westinghouse	11,994,311
U.K., 34.3%—Can., 65.7%.	
Can. Westinghouse	25,000†
Can. Westinghouse	56,000†
Chemical Construction	18,110,760†
Chrysler Corp. of Can.	926,626*
Cockshutt Plow Co...	295,128†
Cons. Min. & Smelting	8,502,500†
Corman Engineer. Co..	12,500*
Crane Limited	249,228†
Creighton & Smith M.	43,420*
Defense Industries Ltd.	6,385,000
U. K., 87.5%—Can., 12.5%.	
Defense Industries Ltd.	6,658,000
U. K., 87.5%—Can., 12.5%.	
Defense Industries Ltd.	11,636,000
U. K., 3.6%—Can., 46.4%.	
Defense Industries Ltd.	300,000
U. K., 87.5%—Can., 12.5%.	
Defense Industries Ltd.	331,000
U. K., 87.5%—Can., 12.5%.	
Defense Industries Ltd.	9,732,000†
Defense Industries Ltd.	10,571,700†
Defense Industries Ltd.	17,970,000†
Defense Industries Ltd.	267,800†
Defense Industries Ltd.	103,586†
Defense Industries Ltd.	636,000†
Defense Industries Ltd.	873,441†
Defense Industries Ltd.	221,000†
Defense Industries Ltd.	777,500*
Dominion Bridge Co...	4,130,239
U. K., 62.8%—Can., 37.2%.	
Dominion Bridge Co...	86,360*
Dominion Bridge Co...	85,132*
Dominion Bridge Co...	2,048,244†
Dominion Electrohome	45,000*
Dominion Electrohome	3,750†
Dominion Engineering	11,575,963
U. K., 35.4%—Can., 64.6%.	
Dominion Engineering	402,699†
Dominion Engineering	154,665*
Dom. Forge & Stamp.	93,600†
Dom. Fdries. & Steel..	1,370,405
U. K., 36.3%—Can., 63.7%.	
Dom. Fdries. & Steel..	400,000†
Dom. Fdries. & Steel..	1,769,535*
Dominion Magnesium.	2,750,000*
Dominion Rubber Co.	50,862†
Dominion Rubber Co.	362,136*
Dominion Steel & Coal	5,760,000*
Dominion Twist Drill	68,535*
Dufresne Construction	970,000†
Dunlop Tire & Rubber	7,050†
Dunlop Tire & Rubber	181,896*
Duplate Tool & Die	38,207*
Eastern Car Co. Ltd...	2,509,000†
Electric Reduction Co.	200,000
U. K., 87.5%—Can., 12.5%.	
Electric Reduction Co.	479,000*
Electric Steels Ltd.	2,554,369*
Electric-Metallurgical .	2,100,000†
Engineering Products..	187,341*
English Electric Co....	719,165*
Excello Tool & Gauge.	10,027*
A. G. Fairbanks Elec.	14,125†
Ferranti Electric Ltd...	551,992*
Firestone Tire & Rub.	10,647†
Firestone Tire & Rub.	190,170*
Ford Motor of Can....	188,889†
Ford Motor of Can.... (and subcontractors)	6,491,693*
Frost & Wood Co. Ltd.	1,225†
Frost & Wood Co. Ltd.	233,819*
Galt Art Metal Co....	1,435†
Galt Art Metal Co....	2,000*
General Engineering..	4,465,000
U. K., 87.5%.—Can., 12.5%.	
General Engineering..	619,800*
Gen. Motors of Can....	120,000†
Gen. Motors of Can....	1,970,528*
General Steel Wares...	7,000†
Goodrich Rubber Co.	65,574*
Goodyear Tire & Rub.	700,560*
Goodyear Tire & Rub.	41,369†
Gutta Percha & Rub.	34,650*
Hafer Machine Co.....	43,415*
Hall Machinery Co....	41,000*
Hamilton Bridge Co...	525,229*
Ham. Gear & Machine	134,140†
Ham. Gear & Machine	22,505*
Hamilton Munitions...	1,713,140†
John Hay & Co. Ltd...	49,151†
John Hay & Co. Ltd...	95,555*
Hayes Steel Products	733,598*
John T. Hepburn Ltd.	112,651†
Hercules Powder Co...	38,739†
Holman Machines Ltd.	270,823*
Hoover Company Ltd.	209,769†
Hoover Company Ltd.	11,412*
Hydraulic Machinery.	30,425†
Houser Machine Works	124,753*
Walter Hunt Co. Ltd.	87,602†
Ingersoll Mach. & Tool	214,167†
Ingersoll Mach. & Tool	53,758*
Internat. Harvester Co.	11,400†
Internat. Harvester Co.	531,030*
John Inglis Co. Ltd...	24,509,391
U. K., 38.6%—Can., 61.4%.	
Kelsey Wheel Co. Ltd.	1,200†
Kelsey Wheel Co. Ltd.	150,000*
Kennedy Construction	18,749†
Lynn MacLeod Engin..	44,000†
MacDonald Chemical..	194,689*
McDonnell Metal Mfg.	30,000*
McKinnon Industries..	912,776†
McKinnon Industries..	1,000,000*
McKinnon Industries..	125,368*
McLennan Fdry. Mach. Works	205,980†
Machine Works Ltd...	7,986†
Machine Works Ltd...	4,423*
Man. Bridge & Iron..	300,300†
Manitoba Steel Fdries.	30,000†
Mar. Steel & Fdries...	252,481†
Massey-Harris Co. Ltd.	757,115†
Massey-Harris Co. Ltd.	136,938*
John Meed & Son....	23,000*
Metal Stampings Ltd.	2,500†
Robert Mitchell Co....	825,990†
Robert Mitchell Co....	1,206,759*
Modern Tool Works...	337,667*
Mtl. Constrn. & Supply	139,488†
Montreal Locomotive..	5,145,000
U. K., 36%—Can., 64%.	
Montreal Locomotive..	1,745,085†
Morrow Screw & Nut	65,743†
Mueller Limited	219,027†
Mueller Limited	40,249*
National Cash Register	266,425†
National Steel Car....	2,024,522†
Nichols Chemical Co...	1,470,000†
Northern Electric Co...	799,313†
Northern Electric Co...	6,710†
Northern Electric Co...	1,272,000*
North. Eng. & Supply..	396,086†
Northern Machine Wks.	41,842*
Northern Tool & Gauge	75,000*
Ontario Forgings Ltd.	1,293,327†
Ontario Forgings Ltd.	1,105,800*
Ont. Research Foundn.	67,197*
Otis Fensom Elevator..	10,036,582
U. K., 74.3%—Can., 25.7%.	
Otis Fensom Elevator..	945,466†
Otis Fensom Elevator..	649,256*
Ottawa Car & Aircraft	1,799,680
U. K., 68.8%—Can., 31.2%.	
Ott. Gauge & Instrum'nt	39,282*
Outboard Marine Mfg.	24,250*
Page-Hersey Tubes...	133,238†
Peacock Brothers Ltd.	315,000*
Pedlar People Ltd.....	549,302†
Peterboro Machine....	2,750†
Thos. Pocklington Co.	15,000*
Powles Engineering Co.	6,638*
Pressure Die Castings	68,015†
Provincial Stevedoring	8,000†
Regina Industries Ltd.	3,215,260*
Reliance Motor, Mach.	61,094
U. K., 67.8%—Can., 32.2%.	
Reliance Motor, Mach.	30,000*
Richardson Road Mach.	43,414*
Robb Engineering Co.	231,195†
St. Cath. Steel Products	811,029†
St. Cath. Steel Products	844,300*
St. Law. Alloys & Metls	401,375†
Sawyer Massey Co...	159,912†
Sawyer Massey Co...	75,094†
Schultz Die Casting...	94,389†
Scott Tool & Machine	22,650†
Seiberling Rubber Co.	3,484†
Seiberling Rubber Co.	39,768*
Service Station Equip.	85,368*
Shaw Tool & Machine	18,200*
Shawinigan Chemicals	1,501,684†
Shawinigan Chemicals	58,018*
Shawinigan Chemicals	1,517,000*
Shaw. Water & Power	4,605†
Sher. Pneumatic Tool	305,062†
Shurly-Dietrich-Atkins	682,849*
Simms, T. S. & Co.....	85,715*
Singer Manufacturing	347,913†
N. Slater & Co. Ltd...	84,429†
Slater N. & Co. Ltd...	84,429†
Small Electric Motors	98,478*
Sorel Industries Ltd...	4,319,999
U. K., 80.6%—Can., 19.4%.	
Sorel Industries Ltd...	443,000†
Sorel Industries Ltd...	7,499,377*
Standard Chemical Co.	60,000*
Stand. Machine & Tool	227,100*
Stanley Steel Co.......	35,000†
Steel Co. of Canada....	4,955,000*
Sunshine Waterloo Co.	37,200†
Superior Steel Corp....	35,000*
Sutton Horsley, Ltd...	15,500*
Taylor Electric Co.....	4,200†
Thompson Products..	715,000*
Trenton Steel Works..	706,688†
Trenton Steel Works..	664,735
U. K., 50%—Can., 50%.	
Turnbull Elevator Co.	82,650†
United Shoe Machinery	11,204*
United Steel Corp.....	874,744†
Valois & Valois.......	10,020*
Vancouver Engnrg.....	30,072*
Vivian Engine Works	193,890
U. K., 84.5%—Can., 15.5%.	
Vulcan Iron Works Ltd.	166,928†
Vulcan Iron Works Ltd.	15,000*
Wallace Barnes Ltd....	273,332*
Wallaceburg Brass Co.	30,008†
Wallaceburg Brass Co.	24,695*
Waterous Limited.....	81,100†
Waterous Limited.....	108,449*
Weatherhead Co.......	43,424*
Welland Chemical.....	1,206,350*
Western Clock Co......	13,525*
Western Clock Co......	29,279*
Whitehall Machine....	49,770*
Wickman, A. C. (Can.)	75,000*
Wright Industries Ltd.	16,417†
Wright Industries Ltd.	29,104*
York Arsenals Ltd.....	2,903,436
U. K., 77.8%—Can., 22.2%.	
York Arsenals Ltd.....	646,250*
York Arsenals Ltd.....	4,438,455*
TOTAL	**$433,600.881**

What the Money Went For



Aircraft

Name of Company	Commitments
Bloctube Controls.....	$ 30,000*
Boeing Aircraft.......	4,288,600*
Brit. Aero. Engines....	71,500*
Canadian Airways Ltd.	110,000*
Can. Assoc. Aircraft..	1,200,000*
Can. Assoc. Aircraft..	1,565,930†
Can. Assoc. Aircraft..	664,958†
Can. Car & Foundry..	2,733,639†
Can. Car & Foundry..	2,016,115†
Can. Car & Foundry..	1,328,200*
Can. Car & Foundry..	452,500*
Can. Car & Foundry..	30,000*
Can. General Electric..	33,468*
Can. Pratt & Whitney	354,443*
Can. Propellers Ltd....	3,570,417*
Can. Vickers Limited..	1,824,910*
Can. Vickers Limited..	2,150,000*
Can. Wright & British Aeroplane Engines Ltd.	290,000*
Clarke Ruse Aircraft	1,610,000*
Coates Limited........	70,500*
Cockshutt Plow Co...	270,500*
De Havilland Aircraft	3,878,000*
Dunlop Tire & Rubber	104,000*
Engineering Products..	$ 5,000
Engine Overhaul Depot (Standard Mach. Wks. & Can. Airways Ltd.).	425,075
Fairchild Aircraft Ltd.	2,802,920
Fleet Aircraft Ltd.....	1,690,367
Fleet Aircraft Ltd.....	1,966,500
Kelsey Wheel Co. Ltd.	10,800
Laurentian Air Service	1,500
Massey-Harris Co. Ltd.	694,400
M & C Aviation Co....	114,600
Mid-West Aircraft.....	154,100
Mont. Aircraft Indust.	25,000
MacDonald Aircraft..	1,614,648
Mackenzie Air Service	1,762,600
National Steel Car....	4,265,000
Noorduyn Aviation....	3,560,300
Northern Electric Co...	50,000
Ontario Hughes-Owens	8,640
Ottawa Car & Aircraft	646,000
Prairie Airways Ltd...	669,000
R.C.A. Victor Co. Ltd.	98,500
Geo. W. Reed & Co.	10,700
Reliance Aircraft.....	52,400
S & S Aircraft Ltd.....	150,000
Singer Manufacturing	580,000
Stanley Precision Instruments Ltd.	100,000
J. A. M. Taylor Tool Co.	9,935
Trans-Canada Air Lines	342,500
Turnbull Elevator Co.	750,000
United Shoe Machinery	112,000
Weatherhead Co........	185,000
White Can. Aircraft...	40,000
Winnipeg Electric Co.	18,000
Miscellaneous Tooling	650,000
TOTAL AIRCRAFT	**$ 52,213,165**

Shipbuilding and Ship Repairs

Shipbuilding	**all Canadian**
Canada Chain & Forge	$ 50,639
Canada Foundries & Forgings Ltd..........	532,500
Canadian Vickers Ltd.	1,026,600
Darling Brothers Ltd.	170,510
Geo. T. Davies & Sons	818,070
Davie Shipbuilding & Repairing Co..........	114,435
Dominion Bridge Co...	814,959
Halifax Shipyards Ltd.	468,499
Wm. Kennedy & Sons	1,354,000
Midland Shipyards...	65,725
Morrison Brass Mfg...	364,174
Morton Engineering & Dry Dock Co. Ltd.....	533,570
Pictou Fndy. & Mach.	784,000
Trenton Steel Works..	1,429,325
United Shipyards Ltd.	3,000,000
TOTAL	**$ 11,527,007**

Ship Repairs	**all Canadian**
Acadia Sugar Refinery	$ 15,245
Atlantic Spring & Machine Co. Ltd..........	17,053
Can. Dredge, Dry Dock	275,000.
L. H. Cann & Co.......	55,812
Canadian Vickers Ltd.	40,655
Wm. Collings & Sons..	13,550
Halifax Shipyards Ltd.	465,042
Hillis & Sons Ltd.....	37,775
T. Hogan & Co.......	4,250
Margaree S. S. Ltd.....	27,906
Mersey Paper Co......	15,569
Mont. Dry Dock Co...	12,960
St. John Dry Dock..	59,352
St. John Iron Works..	45,971
St. John Machine Shop	350,000
Thompson Bros. Mach.	14,186
J. Fred Williamson....	5,072
TOTAL	**$ 1,455,398**
TOTAL: Shipbuilding and Ship Repairs	**$12,982,405**

GOVERNMENT OWNED AND OPERATED COMPANIES EXPENDITURE AS AT DECEMBER 31, 1941

General Munitions	
Allied War Supplies Corporation	$ 743,114*
Atlas Plant Extension	7,904,860*
Atlas Plant Extension	58,654*
Citadel Merchandising	9,665,462*
Cutting Tools Ltd.....	25,000*
National Railway Munitions Ltd..........	2,073,440*
National Railway Munitions Ltd..........	807,160†
Research Enterprises..	10,589,059*
Small Arms Limited..	6,216,776*
Small Arms Limited..	2,792,892†
Aircraft	
Federal Aircraft Ltd...	5,466,150*
Shipping	
Tor Shipbuilding Co...	975,000*
Trafalgar Shipbuilding	28*
Wartime Merchant Shipping Ltd........	370,029*
Housing	
Wartime Housing Ltd.	10,833,185*
Commodities and Raw Materials	
Fairmont Co. Ltd.....	7,246,324*
Melbourne Merchandising Co. Ltd..........	4,306,353*
Plateau Company Ltd.	1,358,812*
War Supplies Limited	
War Supplies Limited	32,559*
TOTAL	**$ 71,464,857**

A. General Munitions	$433,570,881
B. Aircraft	52,213,165
C. Shipbuilding and Ship Repairs......	12,982,405
D. Government Owned Companies	71,464,857
TOTAL	**$570,231,308**

DIRECT GOVERNMENT EXPENDITURES (Not included in direct Capital Assistance or Working Capital) as at Dec. 31, 1941

General Munitions	**Expenditure**
Operation of Crown Plants:	
Dominion Arsenal...	$ [illegible]987,137†
Dominion Arsenal...	1[illegible]578,434*
Dominion Arsenal...	35,972*
Prescott Lighthouse	13,901†
Prescott Lighthouse	38,198*
Natl. Research Cncl.	16,625*
Direct Purchases:	
Land (undistributed)	1,339,744*
Tank Cars..........	870,293*
Gauges	23,450*
Aircraft	
Direct Purchases:	28,924*
Shipping	
Operation of Crown Plants	521,754*
Direct Purchases....	1,317,962*
Housing	
Sorel Housing Proj.	85,208*
Commodity and Raw Material Stocks	
Direct Purchases:	
Cloth	632,974*
Tin	2,611,964*
Chrome Ore	43,692*
Tungsten Ore	892,064*
Wood Pilings	52,329*
War Supplies Limited	1,537,172*
TOTAL	**$ 26,625,797**

Strike Losses in Ontario At 16-year Low Point

Time-loss in Ontario due to strikes in the year ended March 31, 1941, was the smallest since 1925, report of the Department of Labor states.

There were 55 strikes reported, with 9,188 workers involved and time-loss of 36,318 man-days.

Only four of the 55 strikes involved 500 or more workers and these four lasted two days or less. In 32 strikes less than 100 workers were involved. Sixteen strikes in metal products plants caused 42% of total time loss and 10 in the textile industry caused 13% of the loss.

Under the Dominion-Provincial Youth Training Programme 4,097 persons learned various trades during the year, of whom 1,899 were placed in civilian employment, 877 enlisted in the R.C.A.F., 182 did not complete their courses and 1,139 were still in training at the year end.

Classes at the Aircraft Training School at Galt were enlarged from 200 to 600 trainees early in the year. Approximately 96% passed their trade tests for enlistment in the R.C.A.F.

Under the War Emergency Training Programme 18,395 trainees were enrolled in industrial classes and 1,159 in army classes.

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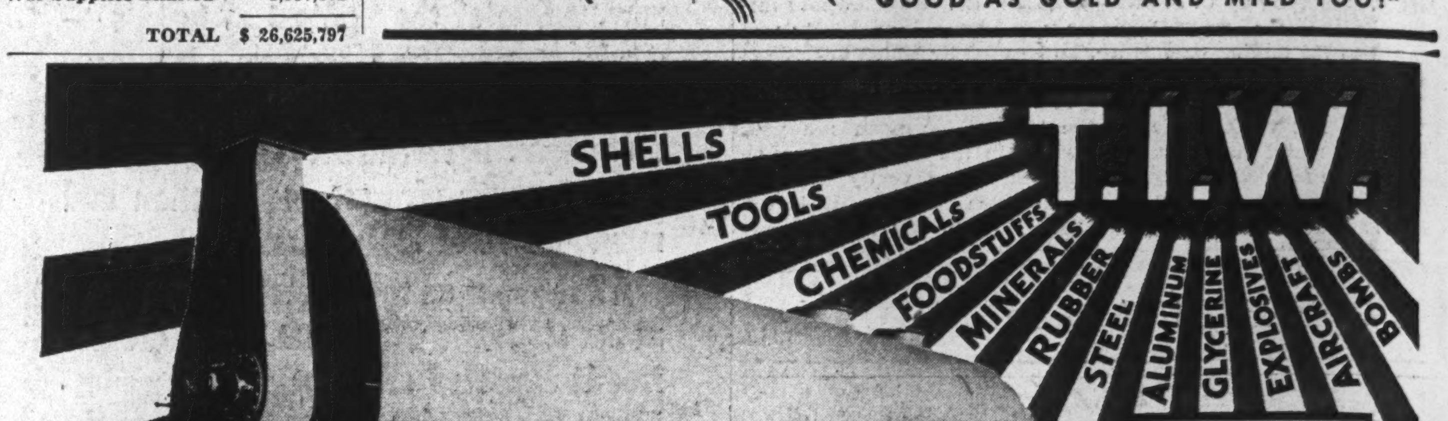

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